

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 11, 2016
	Agenda Item No.	39
	Roll Call No.	<u>16-0582</u>
	Communication No.	<u>16-200</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving application to the U.S. Department of Transportation (DOT) Fostering Advancements in Shipping and Transportation for the Long Term Achievement of National Efficiencies (FASTLANE) program for a Rail Port transloading facility in the City of Des Moines.

SYNOPSIS:

Authorize application to the DOT for a FASTLANE Grant in an amount not to exceed \$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 May 2016.

The City of Des Moines is submitting the application in order to compete for this new funding source that was opened for applications on March 15, 2016. If awarded, this source could significantly assist with the successful development of the proposed rail port transloading facility and leverage additional resources. Applications are due by April 14, 2016.

FISCAL IMPACT:

Amount: Application for an award not to exceed \$5 million with requirement for a 40% match on a minimum estimated project cost of \$8.3 million. Local match is proposed to be met in part by the \$1.7 million Rail Revolving Loan Grant Program (RRLG) loan already awarded for the proposed project, and through negotiation with a preferred provider.

Funding Source: DOT FASTLANE program

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 15th Street and E MLK Jr. Parkway. The site is a former long-term salvage operation location that is adjacent to an existing convergence of Class I and Class II 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 15th Street and E MLK Jr. Parkway as the preferred site for a rail port transloading facility.

- Action was also taken in October 2014 to authorize a letter of support to the Iowa Department of Transportation (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.
- Cost estimates have now been updated based on evaluation of responses to RFPs and by contemplating that the project would develop at one time, not in phases.

PREVIOUS COUNCIL ACTION(S):

Date: October 12, 2015

Roll Call Number: [15-1708](#)

Action: [Application](#) to the Iowa Department of Transportation (IDOT) LIFTS program for a rail port transloading facility in the City of Des Moines. ([Council Communication No. 15-553](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Review of agreement with the DOT if award is granted.
- Recommendation of preferred rail port operator to City Council and authorizing City Manager to negotiate terms of an agreement for the development of the rail port facility.

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