

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	September 24, 2018
	<b>Agenda Item No.</b>	<b>43</b>
	<b>Roll Call No.</b>	[ _____ ]
	<b>Communication No.</b>	<b><u>18-478</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Approving coordination with the Des Moines Area Metropolitan Planning Organization (MPO) to distribute a Request for Proposals (RFP) for the Railport Transloading Facility and directing City Manager to solicit additional proposals.

**SYNOPSIS:**

The MPO has prepared an RFP document for Railport Transloading Facility Development and Operations, and has requested that the City work with the MPO on distribution of the RFP and selection of a preferred developer for the Facility. Following this RFP process, recommendation regarding the preferred developer will be returned to City Council for consideration and approval prior to commencing any development negotiations with the developer for sale of City owned land at 200 SE 15th Street.

The RFP will be circulated by the MPO following this City Council action, with responses due by October 25, 2018. Concurrent to the MPO’s RFP process, the City Manager and MPO Executive Director propose a process to solicit information on 200 SE 15th to industrial real estate brokers to determine if there is interest in purchase and development of 200 SE 15th Street for any use other than a Railport Transloading Facility. Should competing proposals be received as a result of this solicitation of information, these proposals will be evaluated along with the recommended Railport Transloading Facility developer proposal.

**FISCAL IMPACT: NONE**

**ADDITIONAL INFORMATION:**

- On October 20, 2014, by Roll Call No. 14-1667, the City Council received and filed the Des Moines Rail Transload Feasibility Study as commissioned and approved by the MPO to examine the need for a rail port or transload facility for transfer of shipments of products from one mode of transportation (rail or vehicular) to the other to assist and attract Des Moines area businesses transporting goods to and from the area.
- The study identified City-owned land at 200 SE 15th Street as the preferred site for a Rail Transload Facility (“Facility”) due to the convergence of Class I and II rail lines in the area including BNSF Railway Company, Norfolk Southern Railway Company, Union Pacific Railroad Company, and Iowa Interstate Railroad Company, and the proximity to the planned extension of the SE Connector to Highway 65 to promote vehicular access to the facility.

- Additional analysis and processes led to identification of preferred developer for the Facility and City Council action on an installment sales contract for the Facility, which contract has since been terminated.
- The MPO RFP process will seek a new preferred developer estimated to be identified in late October 2018. The City's concurrent solicitation of information process will inform both organizations if there is non-speculative market interest in 200 SE 15th Street from an industrial, manufacturing or other use compatible with the site's M-1/M-2 zoning. There is acknowledgement and support of the demonstrated need and potential benefit for the Railport Transloading Facility, but the concurrent information solicitation process will inform to whether any interests may exist that would provide taxable valuation and employment, or existing companies seeking expansion sites.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 6, 2017

Roll Call Number: [17-1916](#)

Action: [On](#) conveyance of City-owned property located at 200 SE 15th Street to Des Moines Transload Services, LLC, \$1,250,000. ([Council Communication No. 17-779](#)) Moved by Gatto to adopt. Motion Carried 6-1. Nays: Westergaard.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- City participation in MPO RFP review process.
- City RFP process for developer interest in non-Railport Transloading Facility use.
- Recommendation of preferred respondent to City Council.
- Negotiation of agreement with preferred respondent for land sale and development under City approved plan.

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