


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-043	Meeting:	February 5, 2024
	Agenda Item:	7	Roll Call:	24-0164
	Submitted by:	Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Authorization to submit a Revitalize Iowa's Sound Economy Program (RISE) Grant Application to the Iowa Department of Transportation (IDOT) for the Des Moines Airport Authority's (Authority) Cowles Drive Reconstruction – Phase 4.

SYNOPSIS:

Grant authorization to the City Manager to submit a RISE Grant application to the IDOT for the Authority's Cowles Drive Reconstruction – Phase 4 Project (Kevin Foley, Executive Director, 5800 Fleur Drive, Room 207, Des Moines, Iowa 50321).

FISCAL IMPACT:

All costs for the Project are to be paid by the Authority, which will need to be addressed in an agreement between the City and the Authority prior to the parties entering into a RISE grant agreement with IDOT.

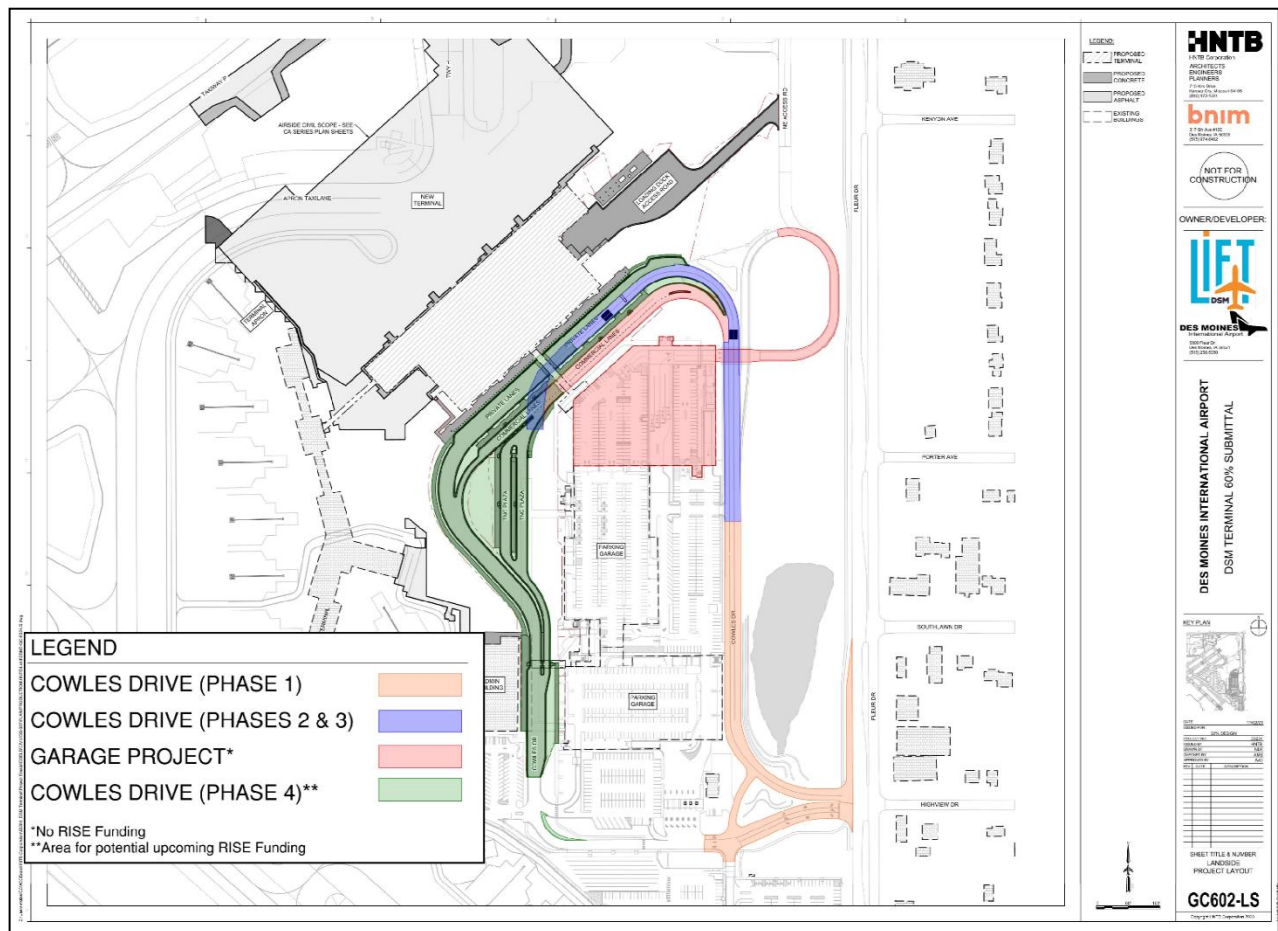
ADDITIONAL INFORMATION:

- In response to the growth of the Central Iowa region and increased travel demand, along with the need to replace the aging existing airport terminal, the Authority continues to move forward with the plan for development of a new terminal. This plan includes reconstructing and reconfiguring the interior streets at the airport, referred to as the Cowles Drive Reconstruction Program (the Project).
- The Project currently consists of five (5) separate phases with an estimated total cost of \$43,123,043 in improvements, of which \$16,118,329 is anticipated to be requested in RISE funds over the entirety of the Project.
- The Authority desires to utilize grant funding to assist with the implementation of the overall Project. As a result, the Authority is seeking a series of RISE grants to support the Project.
- In accordance with Iowa Administrative Rules, all incorporated cities and counties are eligible to apply for and receive funds under the RISE grant program.

- Due to the restrictions in the current Iowa Administrative Rules regarding eligible applicants, the Authority has requested the City to submit the RISE grant application on its behalf in an effort to obtain funding for use in completing the Project.
- The City, on behalf of the Authority (City/Authority), submitted an application and was awarded a RISE Grant in 2020 to complete Phase 1 of the Project. IDOT Transportation Commission Order No. PPM-2020-63 approved the RISE application for Phase 1 of the Project on April 14, 2020. Total RISE funds awarded for Phase 1 were \$1,456,002.
- The RISE agreement was negotiated between the City, IDOT and the Authority. The City is the required applicant and identified as the project sponsor, while the Authority is the recipient.
- The Authority completed construction of Phase 1 in 2021 which improved how Cowles Drive intersects with Fleur Drive, and portions of Duck Pond Road as it traverses through the Airport grounds in preparation for the proposed construction of a new, larger terminal building.
- A RISE grant application was submitted by the City/Authority in January 2021 requesting funding assistance to complete Phase 2 and Phase 3 of the Project.
- The City/Authority was awarded a second RISE Grant in 2021 to complete Phase 2 and Phase 3 of the Project which are illustrated in the Figure below. IDOT Transportation Commission Order No. PPM-2021-91 approved the RISE grant amendment for the Cowles Drive Reconstruction Program on June 8, 2021. Total RISE funds awarded for Phases 2 and 3 were \$4,862,344. Construction of Phases 2 and 3 started in 2021 and was completed in the fall 2023.
- This RISE grant application is requesting funding assistance to complete Phase 4 of the Project.
- The Authority has prepared a RISE grant application and has generated and provided all the information regarding the Project that is shown within the application.
- The estimated total cost of Phase 4 is \$11,724,967, of which \$10,319,627 of that amount being for construction costs. The RISE funds requested by the Authority as part of this grant application are \$3,513,350.
- The Authority will be the lead entity for the Project including design, administration, bid letting, construction, construction observation and maintenance.
- The RISE grant application has been modified to accurately reflect the Authority's and the City of Des Moines' relative responsibilities for the Project. The City is unable to make certifications, commitments, and physical and financial commitment of resources, as this is an Authority Project. Prior to the RISE grant agreement being executed, there will need to be an agreement between the City and the Authority to address obligations of the grant agreement.
- Phase 4 will complete roadway construction providing curbside access to the new terminal for both the passenger drop-off/pick-up and the commercial vehicles. Commercial vehicle access to the new terminal facility is equally as important to the economic growth output of the Airport. With the steady growth in Transportation Network Companies (TNCs), along with the dozens of hotel shuttles, taxi services, and a potential for City bus drop-off and pick-up, the commercial

vehicle lanes will be accessible to all public passengers and to value-adding economic activities. The final construction of the commercial lanes would be constructed during this phase, which is anticipated to occur in 2025 and 2026. The Phase 4 improvements comprise of the roadways shown in green in the Figure below.

- After completion of the Project, the roadways within the Authority’s lease will be under the jurisdiction of the Authority, solely maintained by the Authority, but open for public use.
- In November 2023, Polk County residents voted, with 80% being in favor, to authorize Polk County to issue \$350 million in bonds to be used towards the Authority’s terminal expansion project. The bond proceeds are to be reimbursed to Polk County by the Authority. The issuance of bonds by Polk County allows the Authority to obtain financing at a more favorable interest rate.
- A January 2015 report completed on behalf of the Authority indicated the airport supports 1,814 employees on-airport with a payroll of more than \$99 million, producing \$239 million in economic output. When considering the combination of all impacts, the airport accounts for 5,144 employees and nearly \$184 million in payroll and creates more than \$446 million in direct economic output.



PREVIOUS COUNCIL ACTION(S):

Date: February 21, 2022

Roll Call Number: [22-0222](#)

Action: [Approval](#) of first amendment to the agreement with Des Moines Airport Authority regarding IDOT RISE grant to the Des Moines Airport Authority for the Cowles Drive Reconstruction Program (Phase 2 and 3) at the Des Moines International Airport and approval of Private Construction Contract between Des Moines Airport Authority and Elder Corporation for installation of sanitary sewer and curb and gutter replacement along Fleur Drive. ([Council Communication 22-054](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Des Moines Airport Authority Board

Date: February 8, 2022

Resolution Number: N/A

Action: Motion by Lauridsen-Sand to approve the first amendment to the Agreement between the City of Des Moines and the Authority Regarding the IDOT RISE Grant to the Authority. Seconded by Levy. Approved 5-0.

Action: Motion by Levy to approve the private construction contract and bond with Elder Corporation for Phases 2 and 3 of the Cowles Drive improvements. Seconded by Lauridsen-Sand. Approved 5-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Anticipated actions and future commitments include a RISE funding agreement with IDOT and an agreement with the Authority specifying the roles, responsibilities and obligations of each entity regarding the RISE grant and implementation and future maintenance of the Project.

Additionally, the Authority intends to complete the reconstruction of Cowles Drive in multiple phases over several years. As a result, subsequent amendments to the RISE funding agreement are anticipated to be requested for future approval by the Council.

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