


# COUNCIL COMMUNICATION

	Number:	<b>24-393</b>	Meeting:	<b>October 7, 2024</b>
	Agenda Item:	<b>8</b>	Roll Call:	<b>24-1332</b>
	Submitted by:	<b>Steven L. Naber, P.E., City Engineer</b>		

## AGENDA HEADING:

Approve and Authorize Addendum to Iowa Department of Transportation (IDOT) Agreement 2020-R-014 for a Revitalize Iowa's Sound Economy (RISE) Program Project and Approve and Authorize an Agreement with the Des Moines Airport Authority (Authority) Regarding IDOT RISE Grant to the Authority for Cowles Drive - Phase 4.

## SYNOPSIS:

Recommend approving and authorizing the addendum to IDOT Agreement 2020-R-014 and agreement with the Authority that will allow the Authority to receive an estimated amount of \$3,513,350 in RISE funding from IDOT for the Cowles Drive Reconstruction Program (Phase 4) at the Des Moines International Airport. The total estimated Phase 4 project cost is \$11,724,967, of which \$10,319,627 of that amount being for construction costs.

## FISCAL IMPACT:

All costs for the Project are to be paid by the Authority.

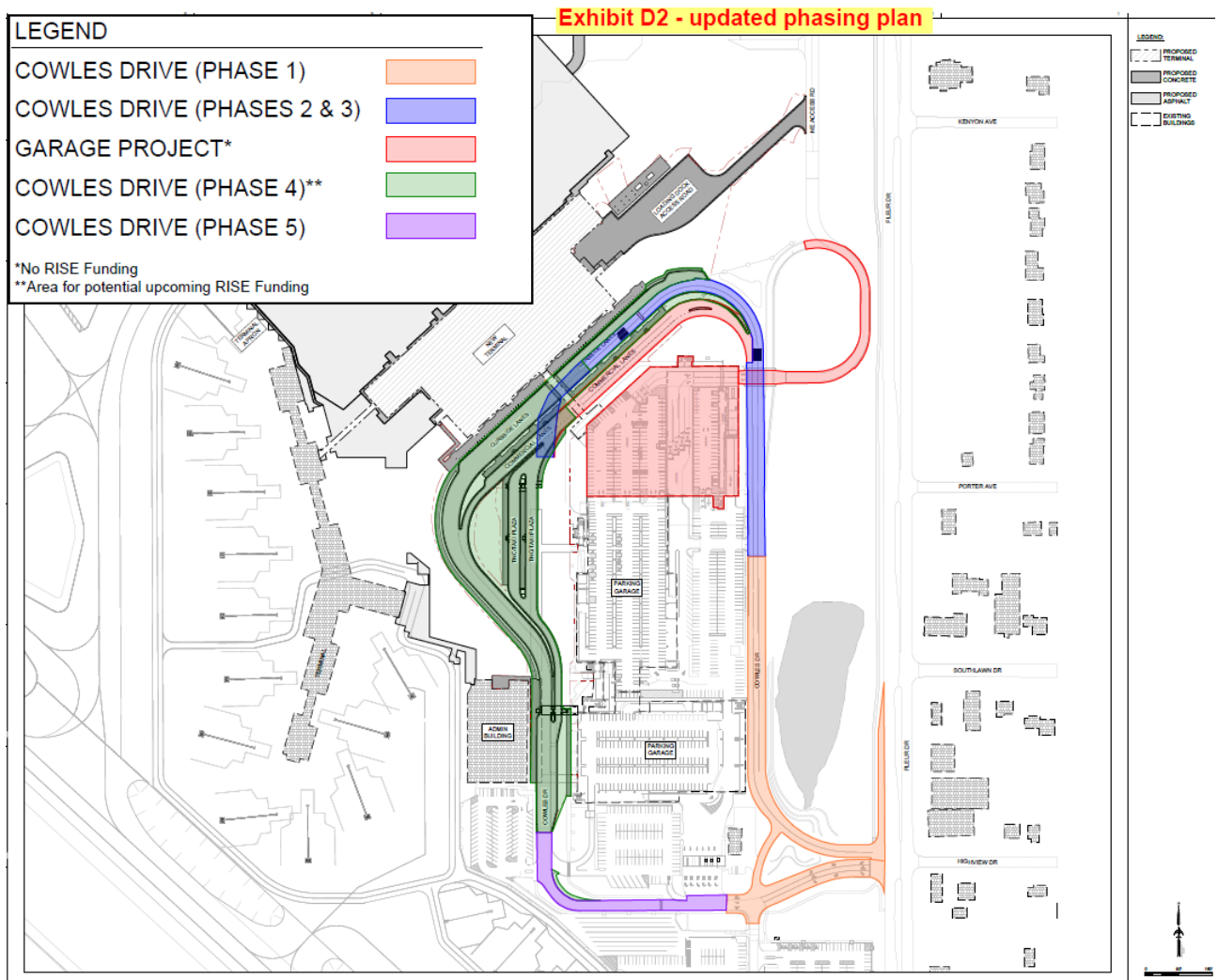
## ADDITIONAL INFORMATION:

- 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 overall Project currently consists of a total of five (5) separate phases in improvements, with additional RISE funds anticipated to be requested in the future.
- The Authority desires to utilize grant funding to assist with the implementation of the overall Project. As a result, the Authority has been 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 the first phase of improvements for the Cowles Drive Reconstruction Program. IDOT Transportation Commission Order No. PPM-2020-63 approved the RISE application for Phase 1 of the Cowles Drive Reconstruction Program 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 of Des Moines is the required applicant and identified as the project sponsor, while the Des Moines Airport 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. The first phase of improvements is shown in light orange in the figure below (Exhibit D2, Authority's Updated Phasing Plan).
- 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 darker purple in the figure below (Exhibit D2). 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. Phases 2 and 3 of improvements constructed vehicular access to the airport's parking garage structure and constructed the roadway lanes that will be in front of the future terminal.
- A RISE grant application was submitted by the City/Authority in February 2024 requesting funding assistance to complete Phase 4 of the Project.
- The City/Authority was awarded a third RISE Grant in 2024 to complete Phase 4 of the Project. IDOT Transportation Commission Order No. TD-2024-41 approved the RISE grant amendment for the Cowles Drive Reconstruction Program on March 12, 2024. The estimated total cost of Phase 4 is \$11,724,967, of which \$10,319,627 of that amount being for construction and of which \$7,026,700 are considered eligible project costs. The RISE funds awarded to the Authority as part of this grant were 50% of eligible project costs, thus being \$3,513,350.
- The Authority will be the lead entity for the Project including design, administration, letting, construction, construction observation and maintenance.
- The RISE grant application was 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 (Exhibit D2).

- After completion of the Project, the roadways within the Authority’s lease will be private roadways 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 the Authority indicated the airport supports 1,814 employees on-airport with a payroll of more than \$99M, producing \$239M in economic output. When considering the combination of all impacts, the airport accounts for 5,144 employees and nearly \$184M in payroll and creates more than \$446M in direct economic output.
- The Authority is fully responsible for the project, all costs, and all obligations included in the IDOT RISE Agreement. The related agreement between the City of Des Moines and the Authority confirms this relationship and obligations.



**PREVIOUS COUNCIL ACTION(S):**

Date: February 5, 2024

Roll Call Number: [24-0164](#)

Action: [Authorization](#) to submit a RISE Grant Application to the IDOT for the Authority's Cowles Drive Reconstruction – Phase 4. ([Council Communication: 24-043](#)) Moved by Gatto to adopt. Second by Westergaard. Motion Carried 6-0.

**BOARD/COMMISSION ACTION(S):**

Board: Des Moines Airport Authority Board

Date: September 10, 2024

Resolution Number: A24-126

Action: Consider an Amendment to the Agreement between the City of Des Moines and the Authority regarding IDOT RISE Grant for Cowles Drive Phase 4. Moved by Mr. Dickinson to approve the Amendment to Agreement between the City of Des Moines and the Authority regarding the IDOT RISE Grant for Cowles Drive, Phase 4. Ms. Feeney seconded. Motion Carried: 5-0-0-0; Yeas: Christensen, Dickinson, Feeney, Feldmann, and Lauridsen Sand; Nays: 0; Abstained: 0; Absent: 0

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Authority intends to complete the Cowles Drive Reconstruction Program in multiple phases over several years; therefore, subsequent amendment to this RISE funding agreement and/or subsequent RISE grant applications and agreements are anticipated to be requested for future approval by the Council.

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).