| COUNCIL COMMUNICATION                         |               |                                      |            |                 |
|---|---------------|--------------------------------------|------------|-----------------|
| CITY OF DES MOINES OFFICE OF THE CITY MANAGER | Number:       | 24-395                               | Meeting:   | October 7, 2024 |
|   | Agenda Item:  | 9B                                   | Roll Call: | 24-1334         |
|   | Submitted by: | Steven L. Naber, P.E., City Engineer |            | r               |
|   |               |                                      |            |                 |

### **AGENDA HEADING:**

Approving and authorizing the execution of United States Department of Transportation (DOT) Grant Agreement for the Infrastructure for Rebuilding America (INFRA) Grant for the Southeast Connector project between SE 30th Street and U.S. Highway 65.

#### **SYNOPSIS:**

Recommend approval and authorization of the DOT Grant Agreement under Fiscal Year (FY) 2023-2024 INFRA Program for the Southeast Connector: SE 30th to U.S. Highway 65.

### **FISCAL IMPACT:**

Amount: \$59,000,000

<u>Funding Source</u>: Various funding sources, as follows:

- o \$34,000,000 INFRA Grant
- \$11,284,000 Federal Surface Transportation Block Grant (STBG) funding allocated by the Des Moines Metropolitan Planning Organization (MPO)
- \$13,716,000 FY 2024-2025 Capital Improvement Program (CIP), Page 104, Southeast Connector - SE 30th Street to U.S. Highway 65, ST256, G.O. Bonds, Tax Increment Financing (TIF) Bonds and Proceeds from Federal Title 23 Excess Land Sales

### **ADDITIONAL INFORMATION:**

- The Southeast Connector is a public improvement project undertaken by the City of Des Moines, which connects downtown Des Moines as an extension of Martin Luther King (MLK), Jr.
   Parkway, through the industrial southeast quadrant of the City of Des Moines to U.S. Highway 65 in Pleasant Hill.
- In January 2024, the DOT announced proposed grant awards totaling \$2.9 billion for 28 projects as part of the 2023-24 INFRA Program. There were 191 project applications submitted that requested over \$24 billion. The Southeast Connector: SE 30th to U.S. Highway 65 was selected to receive \$34 million from the INFRA Program. This was the fourth federal discretionary grant application for this segment of the Southeast Connector.

- The INFRA Grant Agreement establishes the local match for construction at 23%. Overall, Federal funding is limited to 80 percent (80%) funding of the eligible construction costs. INFRA funding is limited to 60 percent (60%) of eligible costs. Federal funding will be reduced if project costs underrun.
- The INFRA Grant Agreement requires quarterly reporting. The DOT may terminate the Grant Agreement if non-INFRA contributions are not obtained or received, failure to substantially complete the project by six (6) months after June 1, 2028, failure to complete railroad agreements by December 1, 2024, or DOT determines that termination of the agreement is in the public interest.
- Completion of the final segment of the Southeast Connector between SE 30th Street and U.S. Highway 65 will improve freight movement through the area by connecting the National Highway System from MLK, Jr. Parkway and SE 14th Street (U.S. Highway 69) and U.S. Highway 65 to serve area businesses and the transload facility. This will directly result in more efficient and lower cost shipping for the region.
- The final 2.2-mile-segment of the Southeast Connector (SE 30th U.S. Highway 65) includes two (2) lanes of roadway [one (1) lane in each direction], a 1,515-foot-long bridge, multi-use trail, the relocation and improvement of 4,000 feet of the SE Des Moines Levee system, storm water enhancements, as well as right-of-way and grading for future expansion of the roadway if future traffic volumes warrant.
- The INFRA grant application included proposed expansion of the transload facility and include costs for infrastructure to support an expansion for public benefit. For planning purposes, \$1 million is the estimated cost for the infrastructure improvements (includes modification to the existing Southeast Connector stormwater detention basin system) for expansion of the transload facility. These modifications will be done separately as part of the private development and not the federal construction project. The work is not included as part of the INFRA Grant Agreement.
- The Southeast Connector: SE 30th to U.S. Highway 65 is currently anticipated to be bid by the Iowa Department of Transportation (IDOT) in early 2025. The estimated construction project amount is \$59,000,000, with INFRA funding in the amount of \$34,000,000 and additional Federal STBG funding in the amount of \$11,284,000, with the remainder coming from G.O. Bonds, TIF Bonds, and proceeds from Federal Title 23 Excess Land Sales. Construction will begin in 2025 following contract award.



## PREVIOUS COUNCIL ACTION(S):

Date: August 7, 2023

Roll Call Number: 23-1063

<u>Action</u>: <u>Approving</u> and authorizing an application for a DOT INFRA Grant for the Southeast Connector Project between SE 30th Street and U.S. Highway 65. (<u>Council Communication No. 23-370</u>) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Absent: Sheumaker.

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

### ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Anticipated actions include agreements with railroads, ordering construction, public hearing, receive and file bids, designate lowest bidder, and approve contract and bond; also partial payments to the contractor and final acceptance of work.

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.