



Roll Call Number

14-1668

Agenda Item Number

52B

Date October 20, 2014

RESOLUTION APPROVING AGREEMENT FOR PROFESSIONAL SERVICES WITH MCCLURE ENGINEERING COMPANY FOR DEVELOPMENT OF REQUEST FOR PROPOSALS FOR RAIL PORT TRANSLOAD FACILITY, AND APPROVING LETTER OF SUPPORT TO IOWA DEPARTMENT OF TRANSPORTATION RAILROAD REVOLVING LOAN AND GRANT PROGRAM

WHEREAS, on October 20, 2014, by Roll Call No. 14-1667, the City Council received and filed the Des Moines Rail Transload Feasibility Study ("Transload Study"), as commissioned and approved by the Des Moines Area Metropolitan Planning Organization (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; and

WHEREAS, the Transload Study followed prior studies of regional goods movement by the MPO in 2002, 2006 and 2013 that identified issues with the efficient movement of goods including rising fuel costs, interstate congestion, and a need to identify changes that could be made by the rail and truck industries to address these issues; and

WHEREAS, the Transload Study identified City-owned real property in southeast Des Moines, immediately north of the alignment of the SE Connector roadway between the SE 14th Street viaduct and SE 18th 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; and

WHEREAS, the Transload Study further presented potential options for development and operation of the Facility, including (1) facility construction by the City and land sale to the operator; (2) facility construction by the City and lease to the operator; (3) facility construction by the operator and land sale to the operator; or (4) facility construction by the operator and lease to the operator; and

WHEREAS, the City Manager and Office of Economic Development recommend further review of the Transload Study to select a preferred option for development of the Facility, and preparation of a Request for Proposals to locate a developer and operator for the Facility based on the selected option, which option and Request for Proposals will be returned to City Council for consideration and approval prior to distribution to potential developers; and

WHEREAS, City staff believe that involvement of McClure Engineering Company ("McClure"), and its subconsultant Engineered Rail Solutions, LLC, in reviewing the options presented in the Transload Study, preparing the Request for Proposals for development and operation of the Facility, reviewing proposals received in response to said Request and aiding in the developer selection process, is essential to the success of the proposed Facility due to the

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familiarity and expertise of McClure and its subconsultant with the subject matter, including the data and methods involved in the Transload Study, the rail industry, freight, transportation and goods movement, and transload facility design and operation, which expertise is not otherwise available to City staff; and

WHEREAS, the City Manager recommends that the proposed professional services agreement between the City and McClure for consulting on review of the Transload Study to select a preferred option for development of the Facility and on preparation of a Request for Proposals be exempted from the request for proposals process and competitive procurement requirements for good cause shown, pursuant to Section 2-710(a) and (b) of the Municipal Code of the City of Des Moines; and

WHEREAS, the MPO has submitted an application to the Iowa Department of Transportation (IDOT) Rail Revolving Loan and Grant (RRLG) Program for partial funding of the development of the Transload Facility, and has requested that the City submit a letter of support of the MPO application to IDOT; and

WHEREAS, IDOT approval of the MPO application would result in a loan and agreement between IDOT, MPO, the City and the selected transload facility developer and operator, which agreement would require the City or developer to provide a local match or equity match of 20% of the funded amount (currently estimated at \$680,000), which agreement and proposed match will be returned to Council for consideration and approval.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. That good cause has been shown to exempt the proposed professional services agreement between the City and McClure Engineering Company for consulting on review of the Transload Study to select a preferred option for development of the Facility and on preparation of a Request for Proposals from the Procurement Ordinance request for proposals process and competitive procurement requirements.
2. The Professional Services Agreement between the City of Des Moines and McClure Engineering Company, 1360 NW 121st Street, Clive, IA 50325, for a cost not to exceed \$36,640.00, based on hourly rates, a copy of which is on file in the office of the City Clerk, is hereby approved as to form and content, and the Mayor and City Clerk are hereby authorized and directed to execute and attest, respectively, said Professional Services Agreement for and on behalf of the City of Des Moines, Iowa.
3. The letter of support of the MPO application to the Iowa Department of Transportation Rail Revolving Loan and Grant (RRLG) Program for partial funding of the development of the Transload Facility, a copy of which is on file in the office of the City Clerk, is hereby approved as to form and content, and the City Manager is hereby authorized and directed to execute said letter and City staff are directed to submit said letter to IDOT on behalf of the City.

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- 4. The City Manager and his designee(s) are authorized and directed to review the Transload Study to select a preferred option for development of the Facility, and to prepare a Request for Proposals to locate a developer and operator for the Facility based on the selected option, and to submit the selected option and Request for Proposals to City Council for consideration and approval prior to distribution to potential developers.
- 5. If the MPO application to the RRLG Program is approved, the City Manager is directed to submit the RRLG agreement for the Transload Facility, and the proposed local match/equity match funding source, to Council for consideration and approval.

(Council Communication No. 14- 512)

MOVED by Gatto to adopt.

FORM APPROVED:

Glenna K. Frank
 Glenna K. Frank
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED
T. M. Franklin Mayor

Diane Rauh City Clerk