

NOTICE OF MEETING

Des Moines Area Metropolitan Planning Organization (MPO)

Special Executive Committee

-

3:30 p.m., Thursday, September 19, 2019

Des Moines Area MPO Burnham Conference Room

-

AGENDA

1. Call To Order
2. VOTE: Approval of Agenda
3. REPORT and VOTE: Des Moines Transload Facility Sub-Agreement Page 2
 - Report on the sub-agreement between Des Moines Industrial, LLC and the MPO regarding the Railroad.
4. VOTE: Approval of MPO Policy Agenda
5. Other Non-Action Items of Interest to the Committee
6. Next Meeting Date – October 9, 2019, at 9:30 a.m.
7. Adjournment

The established protocol for minutes of this meeting will be to list all attendees, and with each item on which a vote is conducted in the ordinary course in order to take formal action, those voting nay or abstaining will be identified by name. Any member who is absent from the meeting for any period of time during which a vote of the body is taken, is expected to notify the recording secretary at the conclusion of the meeting so that the absence can be duly noted in the minutes. Roll Call votes will be taken as required by law or upon the request of any member that is approved by the chair, and the vote of each member for or against the proposition, or abstention, will be incorporated in the minutes or recorded on a separate sheet attached to the minutes.

The MPO receives federal funding and may not discriminate against anyone on the basis of race, color, or national origin, according to Title VI of the Civil Rights Act of 1964. For more information or to obtain a Title VI Complaint form, visit www.dmampo.org/title-vi/ or call 515-334-0075.

September 2019
Item No. 1

ISSUE: Des Moines Transload Facility Sub-Agreement

REPORT and VOTE: Consider approval of the sub-agreement between Des Moines Industrial, LLC and the MPO regarding the Railroad Revolving Loan and Grant

BACKGROUND:

The MPO has executed a Railroad Revolving Loan and Grant Program Agreement with the Iowa Department of Transportation for a loan of \$1.7 million to be used in the development of a transload facility in Des Moines. The MPO will be the borrower and act as a pass-through entity for the selected transload facility Operator, Des Moines Industrial, LLC. The loan is to be repaid in ten years at zero interest by Des Moines Industrial, LLC.

Negotiations have been on-going to finalize a Transload Development and Operations Agreement with Des Moines Industrial, LLC that will avoid exposing the MPO to potential liability for the loan repayment. Des Moines Industrial, LLC is purchasing the site from the City of Des Moines, subject to a variety of performance monitoring covenants and conditions. The City of Des Moines has been involved in the negotiations.

The agreement includes the following protections from the MPO:

- If the Operator were to default, the MPO would assign its position to the City of Des Moines and the City of Des Moines would be responsible for loan repayment and for pursuing all available remedies against the Operator.
- Any loss incurred by the City of Des Moines would be reimbursed using “excess” Surface Transportation Block Grant funds.

RECOMMENDATION:

The current form of the sub-agreement provides that the MPO be reimbursed for \$100,000 of expenses since Des Moines Industrial, LLC has been involved with the project and that Des Moines Industrial, LLC would have to approve those expenses. On Wednesday, September 11, Des Moines Industrial, LLC had offered the following financial package

- No payments to the MPO for 24 months
- 5% of operations, gross starting in month 25
- \$1 Million cap on payment over the life of the project
- If there is a triggering event (sale, merger, etc.) before reaching the \$1 million cap, the MPO will be paid the difference between what has been paid and the \$1million cap.

Staff would recommend approving the sub-agreement with the financial package offered by Des Moines Industrial, LLC on September 11.

STAFF CONTACT:

Todd Ashby, tashby@dmampo.org;
(515) 334-0075