

## **COUNCIL ACTION FORM**

**SUBJECT:**    **APPROVAL OF FEDERAL TRANSIT ADMINISTRATION INTERMODAL FACILITY GRANT AGREEMENT**

**BACKGROUND:**

In May 2010, the City of Ames and Iowa State University signed a Memorandum of Understanding (MOU) with the Federal Transit Administration (FTA) for completion of the Intermodal Facility's first phase based on a TIGER I funding award. This MOU delineated the elements of the facility such as an intercity terminal, parking and bike path. Based on this MOU, the Federal Transit Administration has developed a TIGER grant agreement using their standard contract language and incorporating the language contained in the MOU. This agreement must be signed no later than September 15, 2010 for the project to proceed forward and will complete the formal grant approval process.

**The FTA agreement is between the City of Ames, as the designated recipient of the federal TIGER and earmark funds, and the FTA. Through this agreement, the City of Ames will be responsible for the facility, its operation and financial commitments. Discussions are currently underway between the City and ISU to develop land lease and operating agreements that address the requirements contained in this FTA Agreement. The lease and operating documents will address issues such as how possible deficits/surpluses from the facility's operation will be addressed as well as the procedures to dissolve Intermodal operating contracts if its determine that the arrangement is not beneficial to the City. Discussions to date with Iowa State University have indicated a desire to share equally in the ongoing responsibilities of the facility.**

It is anticipated that these local operating documents will be completed in October 2010 and presented to the City Council for approval at that time. Unfortunately FTA's deadline for formal adoption of their agreement is September 21, 2010 and does not allow for the completion of these local discussions and documents prior to its approval by the City Council.

**ALTERNATIVES:**

1. Approve the FTA's Intermodal Facility TIGER Grant Agreement.
2. Do not approve the grant agreement.

**MANAGER'S RECOMMENDED ACTION:**

In order for the TIGER Intermodal Facility project to receive formal approval, this grant agreement must be signed by the recipient of the grant, the City of Ames. Delay of this approval could jeopardize the TIGER funding for this project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby allowing the Intermodal Facility project to proceed forward in an expeditious manner.