



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities

To: City Council

From: City Manager & Staff

Council Meeting Date: December 2, 2024

Re: Accepting a U.S. Department of Commerce, Economic Development Administration (EDA) grant to fund infrastructure improvements along the Columbia Terminal Railroad (COLT) Corridor; amending the FY 2025 Annual budget by appropriating funds.

Executive Summary

Staff has prepared for Council consideration an ordinance authorizing the acceptance of grant funding from the U.S. Department of Commerce, Economic Development Administration and to amend the FY 2025 budget by appropriating the funds. This grant funding will be used to upgrade approximately 8.5 miles of rail along the Columbia Terminal Railroad at an estimated total cost of \$4,000,000.

Discussion

In March 2024, the City Council authorized the City Manager to submit an application for U.S. Economic Development Administration funding. The funding request was for upgrades to the COLT railroad infrastructure.

In September 2024, The U.S. Department of Commerce, Economic Development Administration awarded the City of Columbia COLT with a grant for \$3,200,000. The total project cost is estimated at \$4,000,000 with a 20% (\$800,000) City match. The match will be appropriated from General Fund retained earnings. The grant funding will enhance the local railroad's resiliency and connectivity by increasing capacity to handle heavier, more cost-efficient freight loads required in the global economy. In addition, the upgrades will provide for a stronger multimodal transportation network in Central Missouri's freight supply chain system.

The rail resiliency and connectivity project will upgrade a total of 8.5 miles (ten sections) of the rail corridor. Currently these sections of the rail corridor can only accommodate high capacity cars by significantly reducing train speed. The upgrades will include replacing deficient rail with industry standard 115 lb. rail, adding new ties and ballast for safety and increase efficiency. The performance period of the grant is September 24, 2024 (notification of award) to June 24, 2027. The acceptance of the award was done through the EDGE system, as required by the federal government.

Fiscal Impact

Short-Term Impact: Total funding for the project is \$4,000,000. Federal grant funding of \$3,200,000 and the City match funding of \$800,000 from the General Fund Retained Earnings.



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Long-Term Impact: Minimal long-term fiscal impact is anticipated due to the remainder of the rail corridor will still require significant maintenance and upgrades in the future.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Reliable and Sustainable Infrastructure, Secondary Impact: Resilient Economy, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Economic Development, Tertiary Impact: Not Applicable

Legislative History

| Date | Action |
|------------|--|
| 03/04/2024 | R50-24 – Authorizing application to the U.S. Economic Development Administration for a grant for the City's Columbia Terminal Railroad (COLT) rail resiliency and connectivity projects. |

Suggested Council Action

Approve the ordinance.