

## Application for Federal Assistance SF-424

\* 1. Type of Submission:

- ☐ Preapplication  
☒ Application  
☐ Changed/Corrected Application

\* 2. Type of Application:

- ☒ New  
☐ Continuation  
☐ Revision

\* If Revision, select appropriate letter(s):

\* Other (Specify):

\* 3. Date Received:

06/25/2020

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

### State Use Only:

6. Date Received by State:

7. State Application Identifier:

### 8. APPLICANT INFORMATION:

\* a. Legal Name:

City of Fountain Colorado

\* b. Employer/Taxpayer Identification Number (EIN/TIN):

84-6000666

\* c. Organizational DUNS:

0304417030000

### d. Address:

\* Street1:

116 South Main Street

Street2:

\* City:

Fountain

County/Parish:

El Paso County

\* State:

CO: Colorado

Province:

\* Country:

USA: UNITED STATES

\* Zip / Postal Code:

80817-2282

### e. Organizational Unit:

Department Name:

City Finance Department

Division Name:

### f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

Mr.

\* First Name:

John

Middle Name:

\* Last Name:

Lewis

Suffix:

Title:

City Finance Director

Organizational Affiliation:

\* Telephone Number:

719-322-2033

Fax Number:

719-322-2002

\* Email:

jlewis@fountaincolorado.org

## Application for Federal Assistance SF-424

### \* 9. Type of Applicant 1: Select Applicant Type:

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

### \* 10. Name of Federal Agency:

Office of Economic Adjustment

### 11. Catalog of Federal Domestic Assistance Number:

12.600

CFDA Title:

Community Investment

### \* 12. Funding Opportunity Number:

OEA-20-F-0003

\* Title:

Defense Community Infrastructure Pilot Program

### 13. Competition Identification Number:

Title:

### 14. Areas Affected by Project (Cities, Counties, States, etc.):

1234-COF\_EPC\_Areas Affected.pdf

Add Attachment

Delete Attachment

View Attachment

### \* 15. Descriptive Title of Applicant's Project:

The COF Lead Track to Fort Carson project will construct a publicly owned, single-rail spine track from the Class I mainline tracks across Levy owned property to the eastern boundary of Fort Carson.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424****16. Congressional Districts Of:**\* a. Applicant \* b. Program/Project 

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**\* a. Start Date: \* b. End Date: **18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="12,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="875,000.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="12,875,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ \*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title: \* Telephone Number:  Fax Number: \* Email: \* Signature of Authorized Representative:  \* Date Signed:

**A. Point of Contact** Garald L. (Gary) Barber, 719-660-0948, [gary@hydrosww.com](mailto:gary@hydrosww.com), Project Manager for the public-private partnership (the P3)<sup>1</sup> of which Applicant is a member, 102 S. Tejon, Suite 430 Colorado Springs, CO 80903. **Applicant:** City of Fountain, a founding member of the P3, Attn: Mr. John Lewis, Director of Finance, City of Fountain.

**B. Installation Need** The installation need is summarized succinctly in the Letter of Endorsement by Major General Matthew McFarlane (Attachment 1). The primary benefits associated with immediate construction of the single-rail track spine (the Project) by P3 partner, the City of Fountain, are Readiness and Resiliency (Tier II). Longer-term collateral Quality of Life benefits (Tier I) will be derived through job creation that will result from the development of a rail-served industrial park (Rail Park).

Formation of the P3 reflects a community-driven initiative to address immediate deficiencies in Fort Carson's training and global deployment capacity and to generate economic development for the region. The El Paso County Office of Economic Development began pursuing this Project as an initiative to create jobs in southern El Paso County. The City of Fountain and Edw. C. Levy Co. (Levy) joined El Paso County in 2015 to prepare the Proof of Concept Report which evaluated development concepts on approximately 3,000 acres of land owned by Levy. Preliminary dialogue with planning staff at Fort Carson started with the identification of potential encroachment concerns related to the proposed industrial and commercial development but quickly evolved into a collaborative effort to implement a second rail connection to the existing Class 1 rail line.

Broad community interest for the single-rail track and Rail Park to support Fort Carson brought together the public entities and Levy to form the P3 via a Memorandum of Understanding (MOU) that was executed in 2018. The primary objective of the P3 is to physically connect the Burlington Northern Santa Fe (BNSF) and Union Pacific (UP) mainline railroad track to the boundary of Fort Carson.

Implementation of the Rail Park will proceed simultaneously with the single-rail track construction. The Rail Park will enhance the military quality of life and result in direct benefit to 100 percent of the military spouses and veterans in the region. Creation of high paying jobs in modern manufacturing, logistic centers, and warehousing will demonstrably improve the quality of life for military spouses and veterans living in close proximity to Fort Carson.

The primary reason Fort Carson needs rail redundancy is because of the vulnerabilities along the existing alignment that connects the base to the BNSF/UP rail line. The existing rail service starts at a 23-spur railhead at the northern boundary of Fort Carson. From the railhead, the system narrows within a fully-developed, high density neighborhood to a single-rail track at Crestridge Avenue before crossing over US Highway 85 and Interstate 25 (I-25) to connect with the BNSF/UP mainline track.



Figure 1: Current Access to Fort Carson

<sup>1</sup> The P3: City of Fountain, City of Colorado Springs, El Paso County, Edw. C. Levy Co., C.S. Chamber and EDC.

As indicated in General McFarlane's letter, the existing alignment has seven points of vulnerability, including the bridge over I-25. If any one of these points is interrupted, Fort Carson's ability to transport military equipment via rail would be eliminated until the impacted rail infrastructure is fixed. See Figure 1.

Discussions between the P3 and representatives from Fort Carson over the last four years have made a second rail access and second railhead more practical and cost effective. Implementation of the single-rail track spine and railhead will provide access redundancy and enhanced readiness and resiliency. Reflecting the military planning work completed to date, a Department of Defense Form 1391 was submitted to the Army Bureau of the Department of Defense Military Construction (MILCON) branch for future construction funding to implement an expeditionary railhead with six spurs (approximately one mile long) and appropriate supporting facilities. As General McFarland states in his letter, this railhead is Fort Carson's highest priority readiness-related military construction project. The DCIP grant will implement the single-rail track spine, which will terminate across the fence from the preferred railhead location.

A second reason for rail redundancy is to facilitate the movement of troops and equipment to the Piñon Canyon Maneuver Site training facility. Fort Carson currently uses truck convoys to transport troops and equipment 140 miles south to the Piñon Canyon Maneuver Site via I-25 and US Highway 50. A secondary railhead providing enhanced training deployment capacity on the southeast border of Fort Carson will substantially improve highway traffic safety by decreasing the traffic conflicts generated by convoy movements.

Finally, the Project addresses the three focus areas defined in the 2018 *Summary of the National Defense Strategy of the United States of America*: 1) rebuild military readiness as we build a more lethal Joint Force; 2) Strengthen alliances as we attract new partners, and 3) reform the Department's business practices for greater performance and affordability.<sup>2</sup>

Writing in support of the Project, U.S. Senator Cory Gardner stated: *"This project aims to develop a dual-service heavy industrial rail park in Southern Colorado that would help support competitive rail rates and intermodal transportation, while also providing rapid deployment redundancy for Fort Carson."*

U.S. Senator Michael F. Bennet wrote: *"In order to demonstrate the feasibility for an industrial rail project, a public-private partnership was formed for a multi-year initiative to address a wide range of transportation needs in rural Southeastern Colorado. In the process, partners have also identified a viable way to address the growth of Fort Carson to create high quality jobs for military veterans. This proposal serves as both an economic development tool to attract companies that need rail shipping options and enhances mission readiness deployment capability at Fort Carson."*

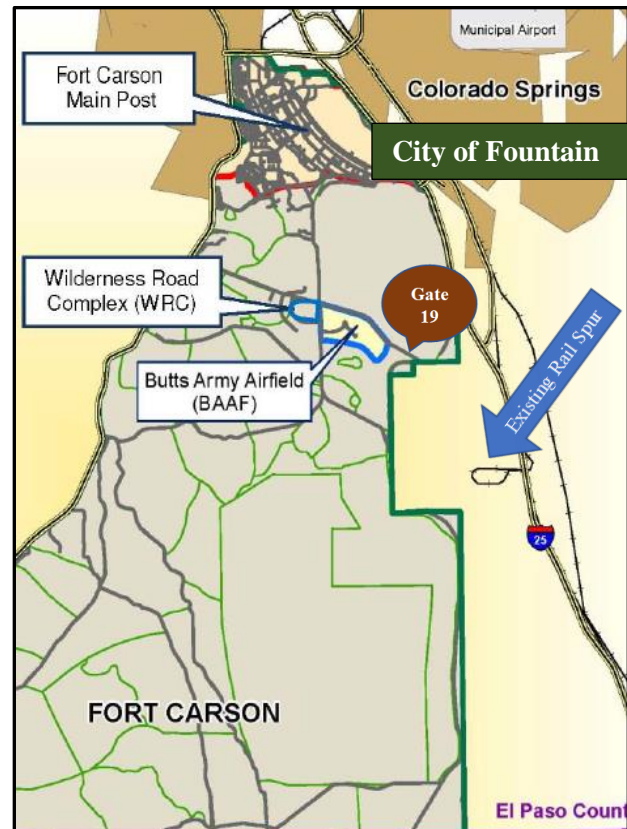


Figure 2: Fort Carson Overview

<sup>2</sup> <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>, page 5.



Congressman Doug Lamborn offered: “*This regional initiative is supported by a remarkable public/private partnership. This collaborative effort has resulted in a feasible transportation project that will: create the only dual-service heavy industrial rail park in Southern Colorado, generate economic growth and create high quality jobs for our military veteran, and enhance the mission readiness and rapid deployment capability for Fort Carson.*”

**C. Installation Endorsement** General McFarlane’s letter (Attachment 1) speaks to the potential to “*dramatically increase reliability of rail operations for Fort Carson.*” In addition, the Project enables the development of a southern railhead within Fort Carson. A modern railhead, when completed, will also dramatically reduce the operating costs associated with movement of equipment by rail. Military rail deployments marshal at the Kelker rail yard over a period of time to configure a unit train for movement. The unit train moves to its destination via multiple at-grade crossings through the City of Fountain. For movement to the south, including Texas and California, the southern railhead, when completed, will eliminate at-grade crossings within the City of Fountain, enhancing the safety (quality of life) for the military personnel and spouses who reside in Fountain.

**D. Project Description** Through the commitment of the unique P3, what started out as a community-driven, regional economic development initiative to construct a dual-served (BNSF and UP) heavy industrial rail park has evolved into an infrastructure project that will enhance the safety, reliability, and readiness of troop and equipment movements to and from Fort Carson.

The DCIP grant request is to construct a publicly owned, single-rail track spine from the Class One mainline tracks (BNSF and UP) across Levy owned property to the eastern boundary of Fort Carson (Project: CoF\_Lead\_Rail\_Track\_to\_Fort\_Carson). The terminus of the single-rail track spine is “across the fence” from Fort Carson’s preferred location for the second railhead. Construction of the Project will address an immediate, imperative need for the U.S. Army and neighboring Defense Association Communities by providing critical expanded and more secure access to Fort Carson via rail.

In addition to enhancing the readiness and resiliency for Fort Carson, the Project will facilitate the implementation of a dual-served heavy industrial rail park to be funded by the P3. This commercial development on over 3,000 acres of undeveloped land will enhance military quality of life through the projected creation of over 5,000 high-paying jobs over the next decade for military spouses and the steady stream of troops transitioning to civilian life, primarily from Fort Carson, but also from Peterson Air Force Base and Schriever Air Force Base.

**E. Project Engineering Information** The Project will be implemented through a design-build delivery approach. The limited scope of a single-rail track from the existing, dual-service rail connection at the Nixon Power Plant supports the assumption that the environmental design and permitting can be completed during the 12-month period from DCIP grant award to start of construction. To date, conceptual engineering has been completed to evaluate potential alignment options and to identify any fatal flaws. In the coming months, engineering will be advanced to a level to support completion of the required environmental approvals (see Section J) for the preferred alignment identified in Figure 3. The engineering will be further

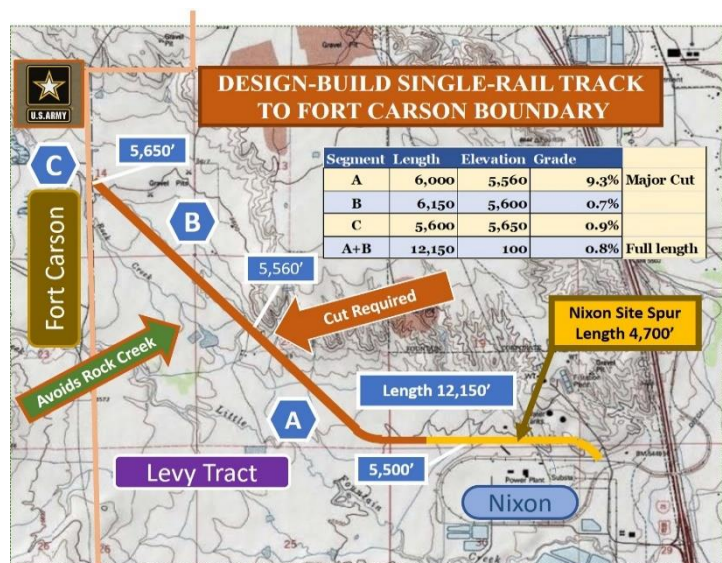


Figure 3: Single-Rail Track (The Project)

advanced to support creation of design-build procurement documents. The selected contractor will be responsible for completing final design and construction of the Project.

The P3 evaluated multiple configurations for the single-rail track extension to the Fort Carson boundary. The alignment shown in Figure 3 reaches the boundary via the most direct route. While this alignment requires significant earth work, the benefit is the proximity to Fort Carson's planned second railhead. This proximity results in a shorter rail extension on Fort Carson's property to the railhead, which in turn lowers the DOD's construction costs. From an entitlement perspective, this alignment avoids crossing any creeks or streams that are identified as Waters of the United States by the Environmental Protection Agency and the Department of the Army. For Fort Carson, the terminus of the Project avoids probable wetland impacts on the military reservation. Therefore, in addition to reducing costs for the DOD, the proposed alignment could potentially expedite future permitting.

Finally, BNSF and UP approvals will be critical to implement the Project. Both BNSF and UP have been actively involved in the planning process since 2016. By involving the railroads in prior phases, the P3 has gained the cooperation and initial commitment of BNSF and UP to the Project. Both railroads have deemed the conceptual plan to be feasible.

**F. Project Parties** The P3 was established in spring 2018 with the execution of the MOU for the Rail-Served Economic Development Initiative. Key provisions of the MOU included agreement to:

- Establish an Oversight Committee to manage the initiative;
- Negotiate the allocation of costs for continuing the investigation which is fair and equitable and considers the interests of each partner;
- Identify and pursue grant funding;
- Evaluate and quantify the anticipated fiscal impacts and distribution of benefits to each partner and Fort Carson; and
- Interface and provide regular updates to appropriate personnel at Fort Carson.

As shown in Table 1, the P3 has contributed close to \$600,000 in cash and in-kind contributions to date to advance planning, conceptual engineering, and stakeholder coordination for the Project and Rail Park. Summary descriptions of the entities within the P3 are provided after the table.

*Table 1: P3 Partners Contribution through May 2020*

P3 Partners	
City of Fountain	\$59,000
City of Colorado Springs	\$5,000
El Paso County Economic Development	\$68,000
Edward C. Levy Co.	\$232,000
C.S. Chamber and EDC (In-kind)	\$105,000
Colorado Springs Utilities (In-kind)	\$110,000
<b>Total</b>	<b>\$579,000</b>

**The City of Fountain**, Applicant, is the second largest city in El Paso County behind Colorado Springs and had 28,799 residents as of 2017, a 54 percent increase in population since 2000. The City is located 75 miles south of Denver, 12 miles south of Colorado Springs, and is the neighboring community to Fort Carson. The average workforce commute is approximately 23 minutes. Within the City of Fountain, there are 362 businesses with 23,510 employees. The top industries by employment are homeland security, trade and transportation logistics, specialized manufacturing, creative industries, and retail trade. The City of Fountain volunteered to be the Applicant based on its long history of working closely with Fort Carson and its perception that 100 percent of Fountain residents stand to gain quality of life benefits from the Project. The industrial rail park is slated for future annexation into the City of Fountain.

**The Greater Colorado Springs Chamber & Economic Development Corporation** (the Chamber & EDC), a non-profit, has a mission to "achieve economic prosperity for our region and act as a catalyst for business

innovation and growth.” The Chamber & EDC works to strengthen the region’s prosperity by ensuring Colorado Springs and El Paso County are competitive in attracting and retaining target industry businesses that create development and construction.

**El Paso County**, initiator of the Project as a method for creating jobs, is governed by five County Commissioners representing five geographic Commissioner Districts equal in population. El Paso County Commissioners are elected by the citizens within their respective districts and serve staggered four-year terms. Commissioner Longino Gonzales, whose district encompasses the Project area, is a member of the Oversight Committee. El Paso County lies in east-central Colorado and encompasses more than 2,158 square miles of diverse land ranging from mountains to prairies. In 2017, 674,826 people lived in El Paso County.

**The City of Colorado Springs** had a population of 450,000 people in 2017 and is the largest city in El Paso County and the second largest city in Colorado behind Denver. Home to the U.S. Air Force Academy, Peterson Air Force Base, Cheyenne Mountain Air Force Station, Schriever Air Force Base, and Fort Carson, the City of Colorado Springs receives an economic impact of approximately \$12 billion per year from the aerospace and defense industry, which is comprised of 105,000 employees.

**Edw. C. Levy Co.** is a 101-year-old, family-owned business providing steel mill services and construction materials on five continents. In the world of natural aggregates, the company has a long history of acquiring large land holdings and responsibly mining them for decades. While Levy purchases real estate to extract the natural resources required to build the infrastructure that strengthens and enhances communities, Edw. C. Levy Co. also strategically and innovatively “mines” its own business by creating a master plan for the “second harvest” to redevelop its mining properties very early on in the process.

**G. Grant Funds and Other Sources of Funds** Table 2 summarizes the grant funds and the P3 (Levy) contributions to implement the single-rail track project. As shown in the table, Levy has committed to funding all the “soft costs” to complete the initial design activities needed to initiate the design-build procurement process (Table 3). The initial design activities will include rail spur plan and profile, environmental permitting compliance with the Federal Railroad Administration (FRA), and operational design approval by BNSF and UP. In addition, the right-of-way for the rail spur will be donated by Levy to the City of Fountain at fair market value. While not shown in Table 2, the P3 requests the appraised value of the right-of-way contribution (to be obtained at a later date) be considered matching funds for the DCIP grant. On behalf of the P3, the City of Fountain is requesting a \$12.0 million DCIP grant to construct the Project.

Table 2: Sources of Funds

Sources of Funds	
P3 Partners (Edw. C. Levy Co.)	\$875,000
DCIP Grant	\$12,000,000
<b>Total</b>	<b>\$12,875,000</b>

With respect to a surety bond, the City of Fountain, in cooperation with the P3 members, is fully able to cover any cost overruns for the Project. Contributions by Levy to the Project will be considered matching funds, both for the design phase and the funding of cost overruns. Through five years of collaboration within the P3, Levy’s more than 100-year history operating on five continents, and the City of Fountain’s own due diligence, the City of Fountain is confident that Levy is financially capable of meeting any unanticipated cost element.

**H. Uses of Construction Project Funds** Table 3 summarizes the uses of funds to implement the Project. The \$12.0 million DCIP grant will provide funding for the contractor selected through the design-build procurement. Expenditure of these funds will benefit 100 percent of the military personnel at Fort Carson by reducing the time, cost, and uncertainty of a single, vulnerable rail deployment capability.

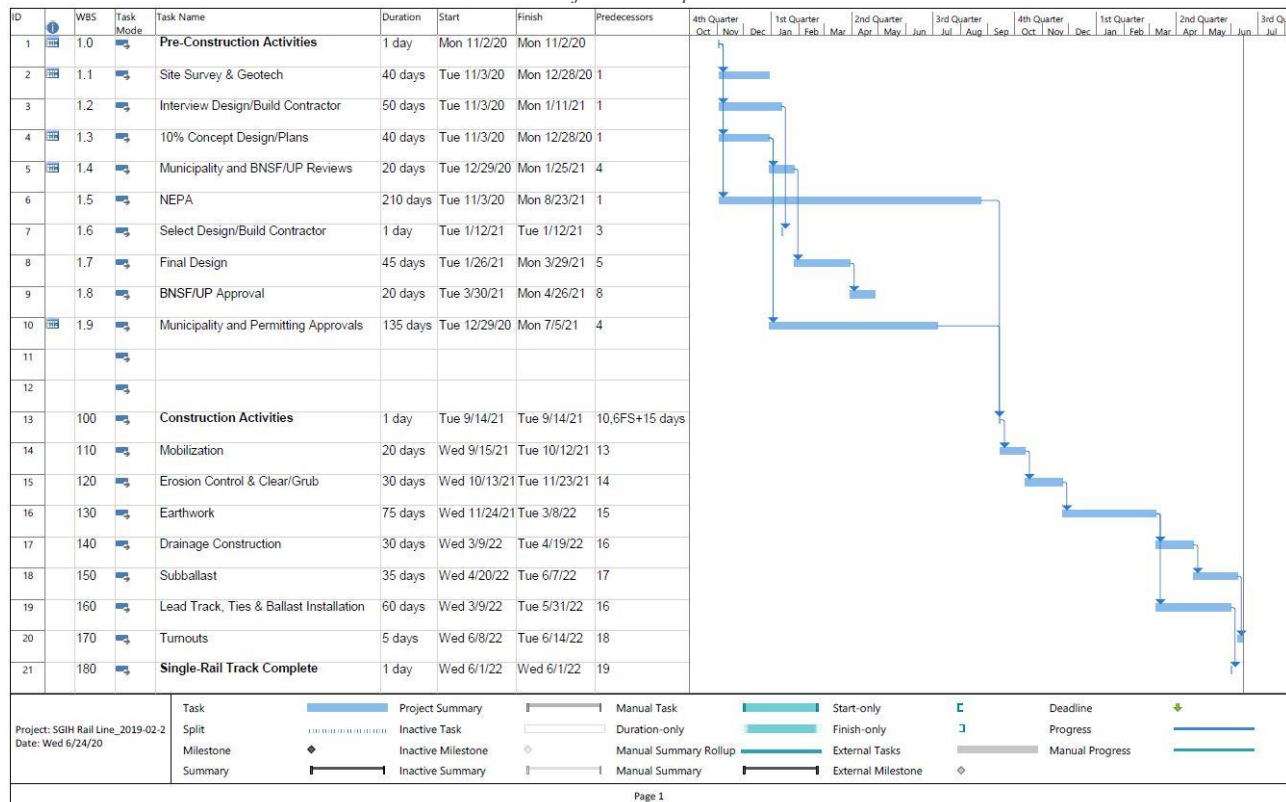


Table 3: Uses of Funds

Pre-Construction	
NEPA and Engineering to Support Procurement	\$875,000
Construction	
Mobilization & Inspection	\$400,000
Storm water and Erosion Control	\$200,000
Construction: Earth Moving Cut and Fill	\$3,280,000
Construction: New Track to Fort Carson	\$1,959,000
Construction: Nixon Site Spur	\$4,277,000
Class 1 RR Inspection and Coordination	\$235,000
Contingency (~16% of Construction Costs)	\$1,649,000
<b>Construction subtotal</b>	<b>\$12,000,000</b>
<b>Pre-Construction subtotal</b>	<b>\$875,000</b>
<b>Total Project Costs</b>	<b>\$12,875,000</b>

**I. Project Development Schedule** If the grant is awarded, Levy, the private party in the P3, is prepared to deed, and the City of Fountain is prepared to accept on behalf of the P3, title to the right-of-way for the single-rail track extending through the Levy property to the Fort Carson boundary. It is also the intent of the P3 to form a Railway Authority so the single-rail track and Rail Park can continue with all partners participating. If this proposal is accepted and a grant application requested, the structure of the P3 ownership of the right-of-way can be discussed and finalized in a manner to meet the selection criteria that the Applicant owns the project land asset prior to the time of grant award. The pre-construction and construction schedule is summarized in Table 4.

Table 4: Project Development Schedule



**J. Environmental Approvals** The FRA, part of the USDOT, maintains jurisdiction over the nation's common carrier rail network. The P3 has approached FRA to introduce the Project and engaged in preliminary discussions regarding the appropriate environmental clearance approach. Under the National Environmental Policy Act (NEPA) and USDOT's Environmental Impact and Related Procedures (23 CFR Part 771), FRA secures NEPA clearance for its federal actions through a list of Categorical Excluded (CE) activities, through Environmental Assessments leading to Findings of No Significant Impact (EA/FONSI), or for major actions expected to significantly impact the human or built environment, Environmental Impact Statements leading to Records of Decision (EIS/ROD). Preliminary discussions with the FRA and early environmental data gathering indicated that although the proposed Project activities may be eligible for CE, an EA/FONSI documenting Project design efforts to avoid potentially sensitive resources in the Project area may be prudent. Procedures establish that once a federal action is established and sufficient project scoping and conceptual design is produced, project sponsors work with FRA to identify the proposed class of action. While it is anticipated that the Project would be cleared through an EA/FONSI, FRA retains the decision over the appropriate class of action and may opt to undertake a CE to satisfy its NEPA requirements in the event that design and engineering indicate no potential for environmental impacts. The P3 anticipates being able to complete either an EA/FONSI or a CE within 12 months. As shown in Tables 2 and 3, the P3 will be responsible for funding the preliminary engineering and design activities to support completion of all appropriate environmental work.

**K. State and Local Planning** The Project falls within the purview of the Pikes Peak Area Council of Governments (PPACG), the local Metropolitan Area Planning Organization, and is sited in a defined rural locale. The Project is identified in the 2020 Edition, Chapter 5 of the Long-Range Transportation Plan 2045<sup>3</sup>: *"The Fountain Urban Renewal Authority is currently working on a rail-served business park on 1,682 acres. In 2007, the City of Fountain identified the potential for the creation of an Industrial Rail Park within its Strategic Plan and was recognized as a great prospect for the community to provide an opportunity for Fort Carson to establish a secondary rail line for redundancy during deployments. This development is located on the north side of the Nixon Power Plant and will create a rail spur off the Nixon Power Plant rail loop that would extend to the eastern boundary of Fort Carson. The business park would be dual served by both Union Pacific and BNSF railways. Fort Carson would like to connect to this rail line, once the rail outside the installation has been constructed. Local governments, the developer, and Fort Carson representatives are coordinating on this project to meet community and military needs."*

In completing a Joint Land Use Study (JLUS)<sup>4</sup> in 2018, the PPACG documented:

❖ **PPACG's Military Planning**, also known as the JLUS Program, supports Fort Carson's mission through two planning efforts, mostly funded by the Department of Defense, Office of Economic Adjustment and through other state and local funding sources. This program began in 2006 with the Fort Carson Regional Growth Plan, which examined the effects of the rapid increase and fluctuation of troops at the installation. The Colorado Springs JLUS process began in October of 2015 with a report completed in 2018. The goal is to balance military and community interests by identifying encroachment issues that affect civilian communities and military installations, including the need for more rail transportation capacity at Fort Carson with the findings that "rail is used to move equipment during deployment activities. Redundancy is needed in the rail network to improve readiness and capacity." Implementation of recommended JLUS actions is ongoing and includes supporting Fort Carson with the following from "Chapter 10 Implementation" of the JLUS report:

- **Strategy 2.4: Address Transportation Needs Around Installations**
  - Action 2.4.17: Develop an alternative rail connection to Fort Carson to support redundant and increased rail service.

<sup>3</sup> 2045 Long Range Transportation Plan, <http://www.ppacg.org/2045-long-range-transportation-plan/>

<sup>4</sup> 2018 Colorado Springs Regional Joint Land Use Study Final Report, <http://www.ppacg.org/jlus-study-report/>

- Action 2.4.18: Address capacity and safety issues relating to transportation corridors used by convoys and other deployment operations.

As described in City of Fountain Mayor Ortega's letter (Attachment 2), the City of Fountain's planning staff are working closely with the P3 to provide all necessary local land use entitlements for the Project and the larger scope of the planned industrial rail park. Construction of the single-rail track across the Levy owned property to the Fort Carson boundary does not require a local land use entitlement process given that the current use of the property is an aggregate quarry on unincorporated land. Other state and local transportation planning agencies and stakeholders that have expressed support for the Project include:

- ❖ **Pikes Peak Area Council of Governments Board of Directors** In a letter of support for a USDOT BUILD grant dated May 5, 2020, PPACG Chair Jill Gaebler, who is also Chair of the Colorado Springs Utilities Board, stated: *"The Charter Oak Road investment (Fort Carson Gate 19) and the Rail Park project's scope align with PPACG's Strategic Plan goals to promote regional transportation infrastructure that supports and enhances the economic vitality of the region and promotes compatibility between the region's military installations and the surrounding community."*
- ❖ **Colorado Department of Transportation** Major General (USAF retired) Irving L. Halter provided the following support statement as the District 9 Colorado Transportation Commissioner on behalf of the Project: *"The project partners have opened a dialogue with the Federal Rail Administration investigating infrastructure funding alternatives. A grant award for planning [BUILD] to the Front Range Dual-Service Rail Park of Southern Colorado in support of military readiness offers a multiplier on Colorado's recent transportation expenditures while simultaneously expanding rail transportation capacity and jobs for military veterans along the Front Range [of Colorado]. Thank you for your support for our men and women in uniform and the citizens of rural Southern Colorado."*
- ❖ **Colorado Springs Utilities (CSU)** In a letter of support for a USDOT BUILD grant dated May 11, 2020, Chief Executive Officer Aram Benyamin wrote: *"To strengthen Fort Carson mission readiness, security and enhance Post deployment capacity, Colorado Springs Utilities recognizes the criticality of a second rail connection and the value this redundancy brings to streamline military convoys to and from the Pinon Canon Maneuver Area. In support, Colorado Springs Utilities will provide the following in-kind services in conjunction with the grant proposal [USDOT BUILD]. Colorado Springs Utilities' contribution is limited to professional and technical expertise, to include staff work for utility planning, engineering, security, regulatory and compliance, environmental, real estate and track-usage negotiations and transactions. Colorado Springs Utilities will work collaboratively to ensure our goals align with those of the grant proposal, including efforts to track and report outcomes. We believe our support and commitment will significantly improve the impact the Rail Park Project will have on creating the only dual-serviced rail heavy industrial site in Southern Colorado, generating regional and local economic growth and high-quality post-service employment opportunities for veterans, and enhancing training capabilities and rapid-deployment redundancy for Fort Carson Post. We look forward to contributing to the success of this project."*
- ❖ **City of Fountain** In a letter of support for a USDOT BUILD grant dated May 1, 2020, Mayor Gabriel Ortega stated: *"As the City of Fountain population is comprised of a robust percentage of Fort Carson's enlisted and veteran population, this project could portray a vital resiliency component to the life-blood of our community. The foundation premise of the project to extend an existing CSU dual service rail loop to align a critical new rail spur connection for Fort Carson is vital. This enhanced connectivity to derive freight rail service will avail solutions to our regional transportation challenges, by: reducing roadway truck traffic, increasing public safety, transitioning Pinon Canon Maneuver military convoy training off road, and extending life expectancy of roadway/railway infrastructure for CDOT and the two Class 1 RR; which operate daily within our community."*

- ❖ ***Burlington Northern Santa Fe RR*** In a letter of support dated May 8, 2020, Ms. Susan Odom, Manager Contracts and Joint Facilities stated: “[F]rom a joint facility perspective, both railroads have the right to enter into agreements with the owner of the spur in order to allow them to directly serve customers located within the planned industrial park.”

**L. Grants Management** The City of Fountain manages a variety of federal, state, and local grants as demonstrated in the table below. Mayor Ortega and the City Council have expressed confidence in the City’s leadership and staff to execute the grant if awarded in the letter at Attachment 2.

Table 5: Recent City of Fountain Grants

Grant	Source	Amount	Date	Description
Keeton Reservoir Recovery	Division of Homeland Security And Emergency Management	\$281,332	October 14, 2013	Funds for repair and construction of Keeton Reservoir after flood damages. We were audited by FEMA for this grant in 2019 with a positive outcome
Keeton Reservoir Recovery	Division Of Homeland Security And Emergency Management	\$141,255	December 17, 2015	Funds for repair and construction of Keeton Reservoir after flood damages. We were audited by FEMA for this grant in 2019 with a positive outcome
EMS and Trauma Equipment	Colorado Department of Health and Environment	\$116,267	January 2, 2013	To purchase emergency services equipment including a cardiac monitor and other ambulance equipment
Southern Colorado Motor Vehicle Theft Task Force	Colorado Department of Public Safety	\$120,415	July 15, 2011	City of Fountain was the applicant agency for a regional task force including the Colorado Springs Police Department and those of both El Paso and Pueblo Counties
High Visibility DUI Enforcement	Colorado Department of Transportation	\$20,000	January 2, 2012	Reimbursement for time spent on State-wide DUI enforcement during certain times of the year
High Visibility DUI Enforcement	Colorado Department of Transportation	\$20,000	January 2, 2013	Reimbursement for time spent on State-wide DUI enforcement during certain times of the year
Safety Vest Grant	United States Department of Justice	\$1,399	March 23, 2012	Reimbursement for purchase of patrol safety vests
Smart Grid Investment Grant	United States Department of Energy	\$406,993	August 6, 2009	50% reimbursement grant for installing new electric meters and a meter management system as a participant in the Front Range Smart Grid Coalition
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<b>Total</b>		<b>\$3,606,766</b>		

**M. Spousal Program Support** The City of Fountain and Fort Carson share a premier school district, known as the Fountain-Fort Carson School District 8 (FFC-SD8). Unique to the region, FFC-SD8 has built four elementary schools and one middle school on Fort Carson, as well as elementary, middle, and high schools within the City of Fountain municipal boundaries. Due to these strong inter-relationships, FFC-SD8 maintains a collaborative partnership with the City of Fountain, and is also one of the City’s largest employers. Approximately 70 percent of the FFC-SD8 enrollment, which is equivalent to over 5,000 students, are from military families. Because of this unique school district structure, FFC-SD8 qualifies and receives special educational grant funding annually reflecting the level of military support the district provides. This combination of tailored programming to military families on education, paired with a sizable portion of the Fountain community working for FFC-SD8, demonstrates the strong connection between Fort Carson and the City of Fountain.

As the industrial Rail Park develops, the *ad valorem* taxes will directly benefit FFC-SD8. In Colorado, commercial property is assessed at a higher rate than residential property. Educators, students and families will benefit from the increased tax revenues.

A key challenge and detractor of a military career is that service members are reassigned frequently, and while the soldier moves to a new job, the military spouse when relocated is challenged to find new employment. It is estimated that approximately 20,000 educated, skilled, and trained military spouses live in close proximity to Fort Carson. Reflecting this connection, the Pikes Peak Workforce Center, in cooperation with the Small Business Development Center of El Paso County and the City of Fountain, annually hosts a series of military and spousal job fairs which attract on average 180 companies per event.

Additionally, the significant detractor of military family life will be mitigated by the longer-term development of the Rail Park which is estimated to create 5,000 high quality jobs at a site adjacent to Fort Carson and just a few miles from North American Aerospace Defense Command (NORAD) and Peterson Air Force Base. The availability of new jobs in close proximity to these installations will improve the quality of life of military spouses and also provide quality employment opportunities for the approximately 300 service veterans who transition from military to civilian life each month.

Regionally, the Military Spouse Career Coalition (MSCC) was established by the City of Colorado Springs, a P3 member. The MSCC advocates on behalf of gainful employment measures and monitors existing legislation concerning military spouse employment. Its members communicate routinely with state representatives and others to assist in improving the statewide employment situation for military spouses. In 2020, the MSCC spearheaded the Military Spouse Licensure Reciprocity bill passage which ensures that up to 34 professionals with out-of-state licenses are allowed to work within the State of Colorado. In addition, a grassroots effort known as the Military Veterans and Spouse (MVS) coalition was formed to specifically help military members and their spouses find quality employment. The vision of the MVS community is to minimize barriers for civilian employment and careers for transitioning service members, veterans, and their spouses.

In addition, Colorado Springs was the third city in the U.S. to implement the Military Spouse Economic Empowerment Zone (MSEEZ) which encourages collaborative efforts among local business, civic, and military communities to establish employment networks. In fact, the Association for Defense Communities (ADC) has recognized the region as a “model community” for its targeted focus to address military spouse issues and for creating a framework of advocacy for legislation, employer efforts and education; both the City of Colorado Springs and the City of Fountain are active members of the ADC.

**N. Submitting Official Documentation** City of Fountain Mayor Ortega and the City Council have authorized City Administrator Scott Trainor’s staff to submit an application on behalf of the P3.

**O. Attachments** Attachment 1 CoF\_DCIP\_Proposal

Attachment 2 Installation Endorsement

Attachment 3 Letter from City of Fountain Mayor Gabriel P. Ortega authorizing submission of the grant application and addressing items G, K, L, & N.

Attachment 4 Letter of Support from Senator Cory Gardner

Attachment 5 Opinion of Probable Cost





**DEPARTMENT OF THE ARMY**  
US ARMY FORCES COMMAND  
HEADQUARTERS, 4<sup>TH</sup> INFANTRY DIVISION AND FORT CARSON  
6105 WETZEL AVE, SUITE 312  
FORT CARSON, CO 80913

June 11, 2020

City of Fountain  
Attention: Mr. Scott Trainor, City Manager  
116 South Main Street  
Fountain, CO 80817

Dear Mr. Trainor:

Fort Carson understands that the Colorado Springs community is submitting a USDOD DCIP Grant Application for the Front Range Dual-Service Rail Park of Southern Colorado. Two Cities and a County government have joined with an international private company to collaboratively develop this industrial rail project on the eastern boundary of Fort Carson.

Fort Carson is in need of a second rail connection to facilitate the movement of military equipment in support of military deployments around the world. Our only rail connect off of Fort Carson has seven points of vulnerability and if interrupted, eliminates our ability to rail military equipment until the existing rail infrastructure is fixed. A second rail connection would dramatically increase the reliability of rail operations for Fort Carson.

Fort Carson has raised with Army leadership our concern regarding the installation's current rail capacity. This community led effort to develop a rail business park would support Fort Carson's potential future need to connect to rail off our eastern boundary and directly enables our highest priority readiness-related military construction project, the development of our southern railhead. We will be interested to see how this community led rail business park project develops.

Sincerely,

A handwritten signature in black ink, appearing to read "MATTHEW W. McFARLANE", is written over a large, stylized "M" that serves as a background for the signature.

MATTHEW W. McFARLANE  
Major General, USA  
Commanding



**Via Electronic Submission as specified in Final Federal Funding  
Opportunity Defense Community Infrastructure Pilot Program CFDA  
Number 12.600**

June 26, 2020

U.S. Department of Defense  
Office of Economic Adjustment  
2231 Crystal Drive  
Suite 520  
Arlington, VA 22202  
Attn: Daniel L. Glasson, Deputy Director

Re: Attachment 2 to that certain Federal Funding Opportunity Defense Community Infrastructure Pilot Program Part D. 2. Content and Form of Proposal Submission Items G. K. L. & N. (the "FFO")

To Whom It May Concern:

I am writing as Mayor of the City of Fountain, with the endorsement of my fellow City Council members, to provide content for FFO items as follows:

**Item G. Grant Funds and other Sources of Funds.** In the body of the proposal is documentation that the City of Fountain has contributed \$59,000 in cash and a greater amount in-kind to the P3 developing the project. The City's contributions to date are recognized as not eligible as "match" to this grant.

On behalf of the P3, we expect the private party, Edw. C. Levy Co. ("Levy"), to fund in its entirety the design element of the proposed design-build rail spur to the boundary of the Fort Carson Military Reservation. The design element will include rail spur plan and profile, environmental permitting compliance with the Federal Rail Administration and operational design approval by Burlington Northern Santa Fe and Union Pacific Railroads. In addition, we are advised that the right-of-way for the rail spur will be donated to the City of Fountain at Fair Market Value on behalf of Levy. We request the contribution of ownership of the right-of-way to City of Fountain be considered match funds by Levy.

With respect to a surety bond, we are fully capable, and in cooperation with the P3 members, to cover any cost overruns for the project. Contributions by Levy to the Project will be considered match, both for the design phase, and the funding of cost overruns. Our 5 years of participation with Levy in the P3, along with our City's own diligence, inform us that Levy, as a 100+ year old private firm operating steel mills on five (5) continents, is financially capable of meeting any unanticipated cost element.

On behalf of the Project partners, City of Fountain requests TWELVE MILLION AND NO/100 DOLLARS (\$12,000,000.00). None of the Contingency funds as shown will be used for any purpose other than "hard construction."

**Item K. State and Local Planning** The need for a new rail spur, and appropriate land uses to address encroachment, at Fort Carson is documented in the 2018 Joint Land Use Study completed by our local Municipal Planning Organization Pikes Peak Regional Council of Governments ("PPACG"). Table 6.1, Fort Carson Compatibility Issues list two items under Transportation: "*More capacity is needed for rail transportation,*" and "*Land on the northern portion of the eastern boundary could be developed and*

Office of the Mayor  
116 South Main St, Fountain, CO 80817  
[www.fountaincolorado.org](http://www.fountaincolorado.org)

affect Gate 19.” The Project addresses the first issue by constructing the spur to a terminus coordinated with Fort Carson’s Garrison Commander, his staff and the Installation Commander.

With respect to the second issue, we have worked closely with Levy to develop appropriate zoning for a rail-served industrial park on the vacant land abutting Fort Carson. Our Economic Development Director, Ms. Kimberly Bailey, has led the P3 working staff to develop a Work Force Analysis and a Fiscal Impact Analysis that establish the viability of job creation for the many military veterans and active duty spouses who reside here in Fountain. We are confident there are no State or Local planning impediments to construction of the rail spur to serve Fort Carson. We will exercise the appropriate land use procedures of our City to bring the industrial rail park, and its 5,000+ jobs, to fruition.

### **L. Grants Management**

We have requested the City staff generate a table of current and historic grants our community has received which is shown here and in the body of the DCIP grant proposal. The City of Fountain is experienced in grant management and has an exemplary track record in completing a grant.

Grant	Source	Amount	Date	Description
Keeton Reservoir Recovery	Division of Homeland Security And Emergency Management	\$281,332	October 14, 2013	Funds for repair and construction of Keeton Reservoir after flood damages. We were audited by FEMA for this grant in 2019 with a positive outcome.
Keeton Reservoir Recovery	Division Of Homeland Security And Emergency Management	\$141,255	December 17, 2015	Funds for repair and construction of Keeton Reservoir after flood damages. We were audited by FEMA for this grant in 2019 with a positive outcome.
EMS and Trauma Equipment	Colorado Department of Health and Environment	\$116,267	January 2, 2013	To purchase emergency services equipment including a cardiac monitor and other ambulance equipment.
Southern Colorado Motor Vehicle Theft Task Force	Colorado Department of Public Safety	\$120,415	July 15, 2011	City of Fountain was the applicant agency for a regional task force including the Colorado Springs Police Department and those of both El Paso and Pueblo Counties.
High Visibility DUI Enforcement	Colorado Department of Transportation	\$20,000	January 2, 2012	Reimbursement for time spent on State-wide DUI enforcement during certain times of the year.
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Total		\$3,606,766		

**N. Submitting Official Documentation** As Mayor, I am the City of Fountain’s member of the Oversight Committee that has supervised the rail project’s development over the past two (2) years. The Oversight Committee meets quarterly. The 1<sup>st</sup> Qtr 2020 Oversight Committee meeting directed submission of the DCIP proposal. On behalf of the Fountain City Council, I have authorized City Administrator Scott Trainor and his staff to submit the proposal on behalf of the P3.

Thank you for your consideration of these FFO items and the opportunity to submit a proposal.

Sincerely,

  
Gabriel P. Ortega, Mayor

Office of the Mayor  
116 South Main St, Fountain, CO 80817  
www.fountaincolorado.org

June 25, 2020

The Honorable Mark T. Esper  
Secretary of Defense  
1000 Defense Pentagon  
Washington, D.C. 20301

Dear Secretary Esper,

I write to request your full and fair consideration of the application submitted by the City of Fountain for the U.S. Department of Defense, Office of Economic Adjustment's (OEA) Defense Community Infrastructure Pilot Program (DCIP).

The City of Fountain is seeking funding through the DCIP for their Front Range Dual-Service Rail Park Project. This project aims to develop a dual-service heavy industrial rail park in Southern Colorado. Specifically, DCIP funding will support the extension of a rail spur to the boundary of Fort Carson, traversing Colorado Springs Utilities' Nixon Power Plant, in order to create access to the dual service main railroad lines of Burlington North and Union Pacific.

In 2018, the City of Fountain, El Paso County Office of Economic Development and a private landowner with property adjacent to the project site, formed a public-private partnership (P3) to address Fort Carson's need for redundancy and resilience to transport military equipment. This economic development project would help support competitive rail rates and intermodal transportation as well as reduce roadway truck traffic, increase public safety, and support rapid deployment capability for Fort Carson. Further, the economic growth generated by this regional initiative is anticipated to result in high quality jobs for our transitioning service members and their families.

Projects like the Front Range Dual-Service Rail Park underscore the need for the DCIP program and highlight the unique relationship between military installations and the communities that support them.

Thank you for your full and fair consideration of the City of Fountain's application.

Sincerely,



Cory Gardner  
United States Senator

Prepared by:



5555 Tech Center Drive, Suite 310  
Colorado Springs, CO 80831  
(719) 272 8800 Office

**LEAD TRACK TO FORT CARSON****PRELIMINARY OPINION OF PROBABLE COST**

June 24, 2020

**OVERALL EATHWORK ACTIVITIES**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	ESTIMATED UNIT PRICE	ESTIMATED COST
1	Strip Topsoil To Stockpile and Respread	46,811	CY	\$ 6.50	\$ 304,271.98
2	Cut/Fill	39,620	CY	\$ 5.00	\$ 198,100.00
3	Cut to Stockpile	668,735	CY	\$ 3.00	\$ 2,006,205.00
4	Fine Grade to Site to +/-0.10'	14,284	CY	\$ 1.00	\$ 14,284.43

Subtotal \$ 2,522,861.41

Construction Contingency - 30% \$ 756,858.42

**OVERALL EARTHWORK ACTIVITIES (ROUNDED) \$ 3,280,000.00****NIXON SITE SPUR**

ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	ESTIMATED UNIT PRICE	ESTIMATED COST
1	New Track, Ties and Ballast	4,844	TF	\$ 190.00	\$ 920,360.00
2	Subballast	7,019	TON	\$ 45.00	\$ 315,855.00
3	Turnout #11, hand thrown	1	EA	\$ 110,000.00	\$ 110,000.00
4	Erosion Control	1	LS	\$ 45,000.00	\$ 45,000.00
5	Seeding and Erosion Control	12	AC	\$ 4,000.00	\$ 48,528.00
6	Soils Testing	1	LS	\$ 67,000.00	\$ 67,000.00

Subtotal \$ 1,506,743.00

Construction Contingency - 30% \$ 452,022.90

**NIXON SITE SPUR (ROUNDED) \$ 1,959,000.00****LEAD TRACK TO FORT CARSON (TRACK A&B)**

1	New Track, Ties and Ballast	12,150	TF	\$ 190.00	\$ 2,308,500.00
2	Subballast	16,818	TON	\$ 45.00	\$ 756,810.00
3	Erosion Control	1	LS	\$ 60,000.00	\$ 60,000.00
4	Seeding and Erosion Control	16	AC	\$ 4,000.00	\$ 63,358.00
5	Earthen Bumpers	1	EA	\$ 1,500.00	\$ 1,500.00
6	Soils Testing	1	LS	\$ 100,000.00	\$ 100,000.00

Subtotal \$ 3,290,168.00

Construction Contingency - 30% \$ 987,050.40

**CSU WORK (ROUNDED) \$ 4,277,000.00****GRAND TOTAL \$ 9,516,000.00****ASSUMPTIONS**

- 1 New track includes; Minimum 115lb Rail, Wood Ties, OTM, Ballast, Walkways, Subballast, Access Road
- 2 This Opinion of Probable Cost only includes construction costs identified to get rail access to the Fort Carson from the Nixon Loop Track
- 3 This Opinion of Probable Cost does not include the following: Railroad/Utility Coordination, Stormwater Management,
- 4 Known environmental consideration have been considered, but unknown environmental, cultural and hazardous materials may significantly impact costs.
- 5 This opinion of probable cost is based on initial concept planning and has not been developed from a breakdown of individual construction items, and should be considered a rough order of magnitude.

Any opinions of probable construction costs (OPCC) prepared represents HDR's best judgment as a design professional familiar with the Construction industry. Such opinions are based upon current market rates for labor, materials and equipment. The Client acknowledges that HDR has no control over the costs of said labor, materials, or equipment, construction contractors methods of determining bid pricing, competitive bidding environments, unidentified field conditions, or any other factors that may affect the OPCC, the project budget or negotiating conditions at the time of project execution. HDR does not warrant or represent that construction bids or negotiated prices will not vary from Client's project budget or HDR's good faith OPCC.



### AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.)

The immediate areas that would be affected by the Project include:

Cities	Counties	State(s)
Colorado Springs Fountain Pueblo Canon City Penrose Florence Manitou Springs Woodland Park Cripple Creek Victor	El Paso Fremont Pueblo Teller	Colorado