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EC-26-118

CITY OF ALBUQUERQUE

Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM April 15, 2026

TO: Klarissa J. Peña, President, City Council

FROM: Timothy M. Keller, Mayor

SUBJECT: Notification of a grant application submitted by the Aviation Department to the US Department of Transportation for funding through the Better Utilizing Investments to Leverage Development (BUILD) grant program.

The Aviation Department has submitted a grant application to the U.S. Department of Transportation to rehabilitate and improve approximately 4.5 miles of an existing rail spur located on Albuquerque International Sunport property. This Executive Communication is submitted in accordance with Resolution O-24-18. The Department staff learned of the grant opportunity on February 12, 2026 and due to the application deadline of February 24, 2026, the Department was unable to submit the EC packet prior to the grant application. Should the Department receive notice of a pending award, separate legislation will be submitted to City Council to request approval to accept and appropriate both the grant funding and the required matching funds.

The total estimated project cost is $20,066,200, with an 80/20 cost share between federal and City funding. The federal share is anticipated at $16,052,960, while the City's required match is $4,013,240. The City's portion will be funded through existing appropriations within the Department's capital fund.

This project serves as a critical enabling investment that positions the Department for future revenue-generating opportunities and supports the planned development of a multimodal transportation facility.

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Notification of a grant application from the Aviation Department to the US Department of Transportation for funding through the Better Utilizing Investments to Leverage Development (BUILD) grant program.

Approved:

Samantha Songel 4/21/26

Samantha Songel, EdD Date
Chief Administrative Officer

Approved as to Legal Form:

DocuSigned by:
Lauren Keefe
1A24D96E42C345...

4/22/2026 | 10:24 AM MDT

Lauren Keefe Date
City Attorney

Recommended:

DS
JW

DocuSigned by:
Manny Manriquez
1F3A085751EB2499...

4/16/2026 | 10:19 PM MDT

Manny Manriquez Date
Acting Director of Aviation

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Cover Analysis

1. **What is it?**

   Notification of a grant application submitted by the Aviation Department to the US Department of Transportation Department for funding through the Better Utilizing Investments to Leverage Development (BUILD) grant program.

2. **What will this piece of legislation do?**

   This Executive Communication is to notify the City Council that the Aviation Department submitted a grant application for funding to rehabilitate and improve 4.5 miles of an existing rail spur at the Albuquerque International Sunport property.

3. **Why is this project needed?**

   This project will rehabilitate and improve 4.5 miles of an existing rail spur. The project will include the necessary environmental, design, and construction work to bring the spur into a uniform state of good repair consistent with Class 2 track.

4. **How much will it cost and what is the funding source?**

   The total project cost is estimated at $20,066,200.00. The grant program requires an 80/20 cost share with the federal grant application amount being $16,052,960.00 and the City's matching amount at $4,013,240.00. The matching funds will come from existing appropriations within the department's capital fund.

5. **Is there a revenue source associated with this contract? If so, what level of income is projected?**

   This project will rehabilitate the rail spur which will enable future revenue producing contracts with transportation companies. Additionally, this project is an enabling project for a multimodal transportation facility the department is currently studying for development feasibility. Aside from the grant amount if awarded, the estimated revenue from this project is not known at this time.

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6. **What will happen if the project is not approved?**

   If not approved, the Department would lose the opportunity to seek grant funding and would have to phase the project over multiple fiscal years.

7. **Is this service already provided by another entity?**

   No.

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FISCAL IMPACT ANALYSIS

TITLE: Notification of a grant application submitted by the Aviation Department to the US Department of Transportation for funding through the Better Utilizing Investments to Leverage Development (BUILD) grant program.

R: O:
FUND: 613

DEPT: 7000613

[X] No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.

[ ] (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	Fiscal Years 2026	2027	2028	Total
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	$ -	$ -	$ -	$ -
[ ] Estimated revenues not affected				
[X] Estimated revenue impact				
Revenue from program				-
Amount of Grant	16,052,960	-	-	16,052,960
City Cash Match	4,013,240			4,013,240
City Inkind Match				-
City IDOH	-	-	-	-
Total Revenue	$ 20,066,200	$ -	$ -	$ 20,066,200

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS: This legislation is requesting approval to apply for federal grant funding. The matching requirement will be met through existing appropriations in the Aviation Capital Fund 613.

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

Completing this project will enable expected local and regional growth that will provide much needed industrial diversification of industry and work opportunities in the reginal economy.

PREPARED BY:

DocuSigned by:
John Stephens 4/16/2026 | 5:58 PM MDT
FISCAL ANALYST

APPROVED:

DocuSigned by:
Manny Manriquez 4/16/2026 | 10:19 PM MDT
DIRECTOR

REVIEWED BY:

Signed by:
Malvand Biazar 4/22/2026 | 9:45 AM MDT
EXECUTIVE BUDGET ANALYST

Signed by:
Donna Sandoval 4/22/2026 | 10:22 AM MDT
BUDGET OFFICER

Signed by:
Christine Boehrer 4/22/2026 | 10:23 AM MDT
CITY ECONOMIST

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OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

* 2. Type of Application:
- [x] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received: 02/24/2026

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 Albuquerque Aviation Department

* b. Employer/Taxpayer Identification Number (EIN/TIN): 85-60000102

* c. UEI: FW5NSYKMFEK4

d. Address:

* Street1: 2200 Sunport Blvd
Street2:
* City: Albuquerque
County/Parish:
* State: NM: New Mexico
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code: 87106-3235

e. Organizational Unit:

Department Name: Aviation Department

Division Name: Commercial Development

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

Prefix:
* First Name: Lisa
Middle Name:
* Last Name: Abeyta
Suffix:

Title: Associate Deputy Director

Organizational Affiliation:

* Telephone Number: 505-377-0339
Fax Number:

* Email: lrabeyta@cabq.gov

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Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 1 * b. Program/Project: 1

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

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 08/01/2026 * b. End Date: 06/30/2028

18. Estimated Funding ($):

* a. Federal	16,052,960.00
* b. Applicant	4,013,240.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	20,066,200.00

*** 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 18, 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: Samantha

Middle Name:

* Last Name: Sengel

Suffix:

* Title: Chief Administrative Officer

* Telephone Number: 505-768-3000 Fax Number:

* Email: ssengel@cabq.gov

* Signature of Authorized Representative: Samantha Sengel * Date Signed: 02/24/2026

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An application to

U.S. DOT'S Better Utilizing Investments to Leverage Development (BUILD) Grant Program

SUNPORT RAIL SPUR PROJECT

PROJECT DESCRIPTION

February 24, 2026

Submitted by

CITY OF ALBUQUERQUE · NEW MEXICO · 1706

ABQ INTERNATIONAL SUNPORT

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Project Description

Overview

The City of Albuquerque's *Sunport Rail Spur* Project (the "Project") will rehabilitate and improve 4.5 miles of an existing rail spur that is physically adjacent to the Sunport, Albuquerque's international airport. The rail spur was owned by Kirkland Air Force Base, which borders the Sunport, and purchased by the City of Albuquerque from the federal government. While one section has been minimally upgraded to put into use, (shaded purple in Figure 1), the balance of the line needs rehabilitation as these sections are no longer safe or usable due to years of dormancy. The Project will bring all segments of the spur into a uniform Class 2 track rating. The Project is an investment with independent utility that will provide immediate benefit to existing customers that are currently at capacity and cannot meet growing demand. The rail spur is also vital for accommodating and enabling expected local and regional growth—based on publicly-announced industrial relocations and expansions—that will provide much-needed industrial diversification of industry and work opportunities in the regional economy. The Project creates a direct rail connection between two existing business parks and a Class I railway (BNSF), allows shippers and consignees to use unit trains, and provides multiple opportunities to tie in other large shippers to facilitate freight movement between air, rail and highway. The Sunport is planning to develop a multimodal facility in the future with additional spurs to accommodate industrial and commercial growth in nearby communities such as Mesa del Sol. Following the completion of right-of-way acquisition in

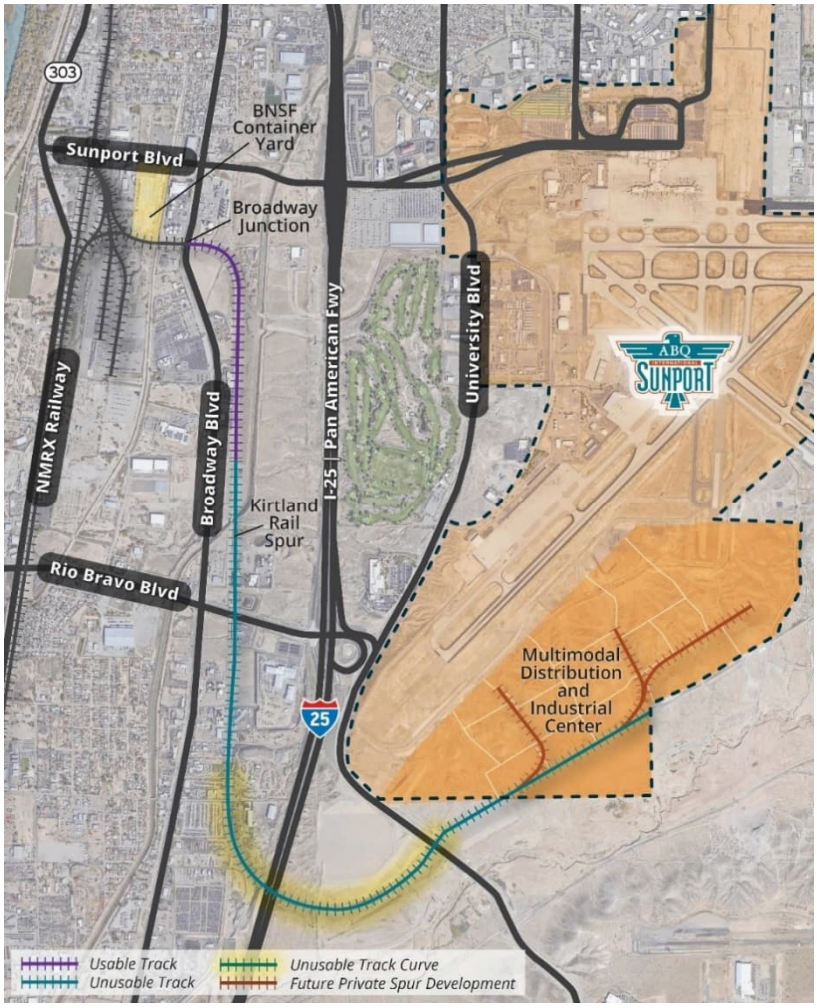

Figure 1 The Sunport Rail Spur Project Area

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2025, the Sunport owns the entire spur and nearly 1,000 acres of undeveloped property for future economic development use.

Description of the Project to be Constructed

The Project for which BUILD grant funds are sought would complete the necessary environmental, design and construction work to bring the spur into a uniform state of good repair consistent with Class 2 track. The purple segment from Broadway Junction to where the spur's shading changes to green is currently in use and operated by New Mexico Transload. The Project investments will raise the track class from its current operational state to fully compliant Class 2 track. The green-colored segment in Figure 1 is not currently in use. The Project would similarly upgrade this segment to Class 2 track, thus allowing railcars to come all the way around the curve and up into the location of the planned new multimodal yard. The red-shaded sidings that connect to the spur in the vicinity of the Planned Multimodal Distribution and Industrial Center are NOT part of this Project but are included to illustrate how private firms could connect to the spur.

Environmental Documentation

The City will seek a categorical exclusion (CE). See Environmental Readiness section for more detail. The City has held - and will continue to hold - community meetings with nearby Mesa del Sol and Mountain View neighborhood residents as well as local and regional stakeholders, to inform them of the project and gain input. The New Mexico Rail Bureau has committed to license this rail spur coming off the main line. Coordination will be undertaken with the Federal Railroad Administration (FRA) Region 5 Ft. Worth field office.

The New Mexico DOT and Mid-Regional Council of Governments (MRCOG) are part of the Project's advisory hub and are prepared to add the Project to the STIP/TIP this year now that ROW is complete.

Engineering Design with PS&Es and Certifications for all Infrastructure

The City has hired a consultant to prepare preliminary and final design for track improvements for review by the City and the New Mexico DOT's Rail Bureau. Construction plans will need to be approved by NMDOT.

Construction

Construction work will include the following activities.

- Rehabilitate 4.5 miles of Sunport rail spur from Broadway Junction southward to the 165* curve and northward towards the southeast runway, terminating at the planned multimodal facility site.

  Activities include:

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  - Clearing and reclaiming sections of track along the curve lost to erosion, clearing culverts, and grading the track,
  - Replacing single should tie plates with double shoulder tie plates, tightening joints, securing rails with 4'8.5" gauge rods around the curve, and installing missing other track material,
  - Adding ballast and tamping track,
  - Replacing crossings and installing cross buck signage and pavement markings to meet current standards,
- Construct a retaining wall.
  - Install drainage along the curve of the spur.
  - The type and materials of the retaining wall will be based on engineering designs.

The project will take two years to complete with most work in 2027. Regular project meetings and coordination will include FRA and other agencies. The City will competitively select an engineering consultant to prepare deliverables including CE (anticipated but subject to FRA and FAA confirmation) and final design with construction drawings (PS&Es) in the first year. The City will bid the project, and construction will take place in the second year.

Geospatial Coordinates
35.025024, -106.644659

Description of Current Design Level

The Project is currently at 15 percent design and will complete preliminary design by April 15, 2026.

Description of Project Location

Albuquerque is located at the junction of I-40 (east-west) and I-25 (north-south) and is at the crossroads with connections to Mexico, Denver, the West Coast, and the eastern portion of the U.S. The Albuquerque International Sunport (ABQ) provides connectivity via belly cargo and expedited air freight service (Fed Ex, UPS) and is home to Foreign Trade Zone (FTZ 110). As adjacent aviation facilities, the Kirtland AFB and the Sunport share runways, providing the Sunport with longer landing areas capable of handling heavier than usual cargo planes. This gives the Sunport a unique advantage in attracting air cargo. Over 95 percent of the cargo that arrives or leaves the state by air, travels via the Sunport, according to the Mid-Regional Council of Governments' (MRCOG) *Transportation and Logistics Hub Study* (hereafter "the MRCOG logistics study," 2017). ***The Project is in a Qualified Opportunity Zone***.

As illustrated in Figure 2, the Project is in both an Area of Persistent Poverty and Historic Disadvantage and would support job creation in these areas. Moreover, much of the job creation would be in skilled jobs that do not require a college education, making them accessible to those who have yet to gain college training as well as those for whom college is not their career path. Additionally, New Mexico's high schools report some the lowest graduation rates in the United

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States, making it an imperative of job creation efforts to include these types of skills-based jobs which are accessible to this segment of the state's adult population.[1]

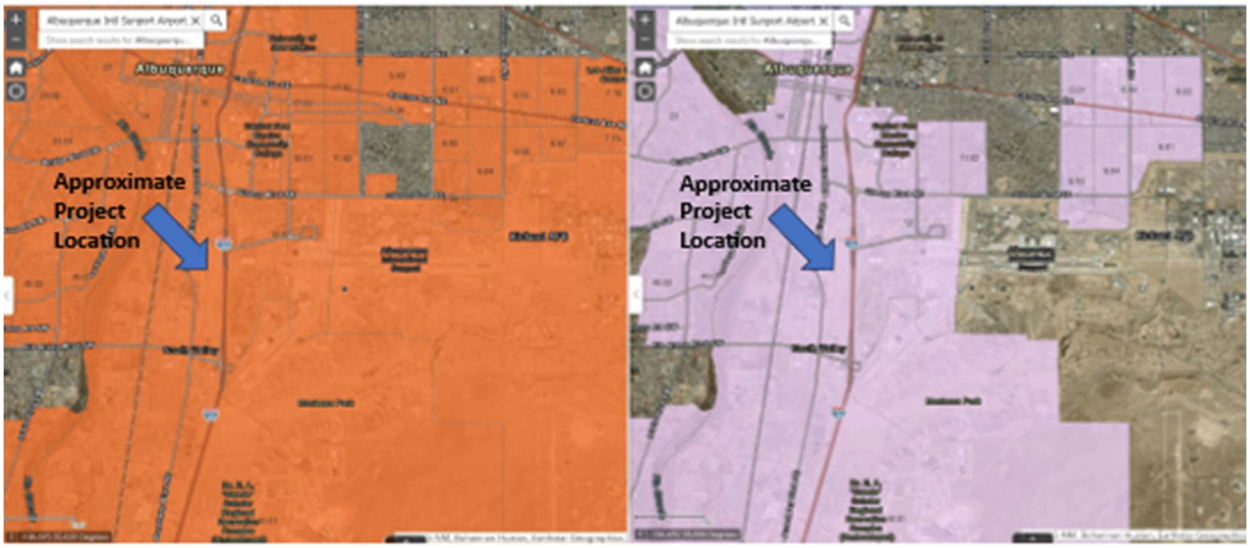

Figure 2 The Project is in an Area of Persistent Poverty (orange) and Historic Disadvantage (lavender)

Before and After

The NOFO requests renderings or images of how the project area will change with implementation. The photos below show the spur's current state and how it would look after rehabilitation.

Figure 3 Before and After

[1] See report on graduation rates at https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Progress%20Report-%20High%20School%20Graduation%20Final.pdf

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As shown in Figure 4, there are a number of employment concentrations in close proximity to the spur. This area has room for growth, but the expansion would not be a change in use. As noted in the map, this is also an Opportunity Zone.

Transportation Challenges

The Project addresses multiple related transportation challenges:

- **State of Good Repair**. It returns an obsolete rail asset, the Sunport Rail Spur, to a state of good repair at a higher class of track. There is demonstrated demand for additional transload capacity.
- **Economic Competitiveness**. The availability of the spur will allow Albuquerque shippers and consignees to access unit trains locally, something that is not possible now. This will reduce local rail shipping costs.
- **Economic Competitiveness**. It will add transload capacity for approximately 1,400 additional carloads per year, benefiting existing shippers who have more demand than can be met under current conditions. Interviews with NMT staff noted that they have to ration the transload capacity across existing shippers and cannot accommodate additional demand. The Project will help meet anticipated future demand given information from local manufacturer TempurPedic, Intel's $3.2 billion semiconductor expansion and solar equipment manufacturer Maxeon's choice of Albuquerque for its U.S. factory
- **Safety and Environment.** Greater use of rail through expanded transload capacity and access to unit trains will allow shippers to use rail rather than trucks, with the associated avoidance of crashes, road wear and tear, and emissions

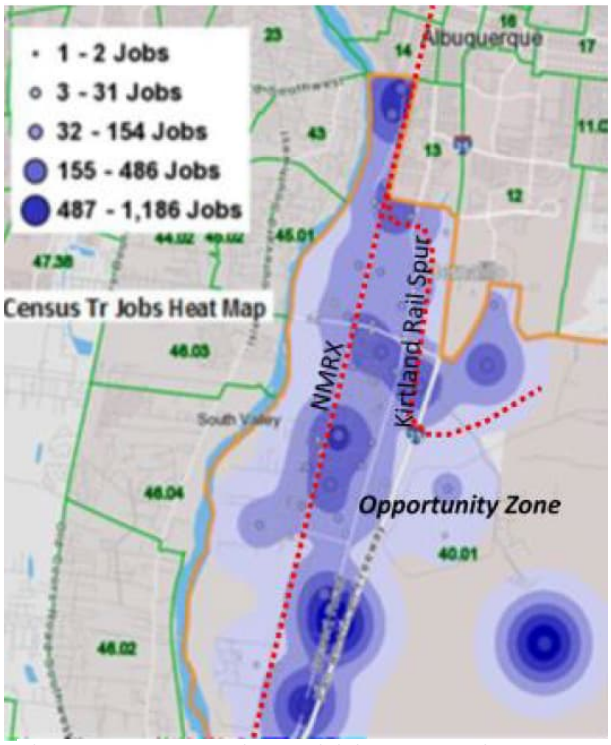

Figure 4 Employment in the Vicinity of the Project Area

Project History

The Project repurposes obsolete 20th Century infrastructure for the developing 21st Century economy. The spur is a legacy of New Mexico's atomic past. The line was constructed for and owned by the Atomic Energy Commission (AEC) to serve Sandia National Laboratory, a facility established as part of the Manhattan Project headquartered out of Los Alamos, New Mexico, during World War II. Ownership of the line transferred to Kirtland Air Force Base (KAFB) in the 1970s. The spur sat idle until the Base decided the spur would not be needed for future missions and put it up for auction in 2021. The spur was purchased by the City of Albuquerque, which also owns and operates the Sunport through a separate enterprise fund.