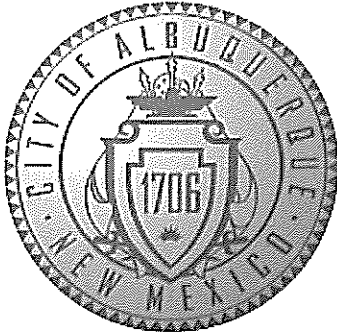




CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

July 16, 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 Federal Railroad Administration for funding through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program.

The Aviation Department has submitted a grant application to the U.S. Department of Transportation to rehabilitate and improve approximately 6.3 miles of an existing rail spur located on Albuquerque International Sunport property. This Executive Communication is submitted in accordance with O-24-18. 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 \$23,142,190, with an 80/20 cost share between federal and City funding. The federal share is anticipated at \$18,513,752, while the City's required match is \$4,628,438. The City's portion will be funded through existing appropriations within the Department's capital fund.

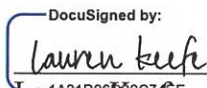
This project serves as a critical enabling investment that positions the Department for future revenue-generating opportunities and supports the planned development of a multimodal transportation facility.

Notification of a grant application from the Aviation Department to the US Department of Transportation Federal Railroad Administration for funding through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program.

Approved:

Approved as to Legal Form:


Samantha Sengel, EDD Date 7/24/26
Chief Administrative Officer

DocuSigned by:
 7/22/2026 | 9:40 AM MDT
Lauren Keefe Date
City Attorney

Recommended:

DS

Signed by: Manny Manriquez 7/18/2026 | 7:26 AM MDT
Manny Manriquez Date
Director of Aviation

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 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program.

2. What will this piece of legislation do?

This Executive Communication notifies the City Council that the Aviation Department has submitted a grant application to fund the rehabilitation and improvement of approximately 6.3 miles of an existing rail spur at the Albuquerque International Sunport.

3. Why is this project needed?

This project will rehabilitate and upgrade 6.3 miles of an existing rail spur, including the necessary environmental, design and construction work to bring the spur into a uniform state of good repair consistent with Class 2 track, and add a siding built off of the spur to connect with tenants' properties in the nearby industrial park and to be used for sidecar parking and assembling train cars. The Project will also construct a retaining wall to protect the curve of the track from erosion and add technology that 1) integrates the rail operation's security applications with those of the airport's and 2) allows railcar operators to use the latest anti-theft, condition and location monitoring sensors in this border state.

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

The total project cost is estimated at \$23,142,190.00. The grant program requires an 80/20 cost share with the federal grant application amount being \$18,513,752.00 and the City's matching amount at \$4,628,438.00. 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 to support future revenue-generating contracts with transportation providers. It also serves as a critical enabling investment for a proposed multimodal transportation facility currently under feasibility study by the department. While the grant amount is defined, projected revenue from the project has not yet been determined.

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.

FISCAL IMPACT ANALYSIS

TITLE: Notification of a grant application submitted by the Aviation Department to the US Department of Transportation for funding through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program

R: O:
FUND: 613
DEPT: 7000613

- ☒ 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:

	2027	Fiscal Years 2028	2029	Total
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
☐ Estimated revenues not affected				
☒ Estimated revenue impact				
Revenue from program				-
Amount of Grant	18,513,752	-	-	18,513,752
City Cash Match	4,628,438			4,628,438
City Inkind Match				-
City IDOH	-	-	-	-
Total Revenue	\$ 23,142,190	\$ -	\$ -	\$ 23,142,190

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 regional economy.

PREPARED BY:

APPROVED:

Signed by: John Stephens 7/16/2026 | 4:19 PM MDT
FISCAL ANALYST

Signed by: Manny Manriquez 7/18/2026 | 7:26 AM MDT
DIRECTOR

REVIEWED BY:

Signed by: Mahmoud Biagat 7/20/2026 | 9:27 AM MDT
EXECUTIVE BUDGET ANALYST

Signed by: Donna Sanderel 7/20/2026 | 12:51 PM MDT
BUDGET OFFICER

Signed by: Christine Boerner 7/22/2026 | 8:28 AM MDT
CITY ECONOMIST

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY

1.a. Type of Submission: ☒ Application ☐ Plan ☐ Funding Request ☐ Other Other (specify): 		1.b. Frequency: ☒ Annual ☐ Quarterly ☐ Other Other (specify): 		1.d. Version: ☒ Initial ☐ Resubmission ☐ Revision ☐ Update	
		2. Date Received: 		STATE USE ONLY:	
		3. Applicant Identifier: 		5. Date Received by State: 	
		4a. Federal Entity Identifier: 3-35-0003		6. State Application Identifier: 	
		4b. Federal Award Identifier: 3-35-0003			
1.c. Consolidated Application/Plan/Funding Request? Yes ☐ No ☒ Explanation					
7. APPLICANT INFORMATION:					
a. Legal Name: City of Albuquerque					
b. Employer/Taxpayer Identification Number (EIN/TIN): 5-60000102			c. UEI: FW5NSYKMFEK4		
d. Address:					
Street1: 2200 Sunport Blvd. SE			Street2: PO Box 9948		
City: Albuquerque			County / Parish: Bernalillo County		
State: NM: New Mexico			Province: 		
Country: USA: UNITED STATES			Zip / Postal Code: 87119-1048		
e. Organizational Unit:					
Department Name: Aviation			Division Name: Administration		
f. Name and contact information of person to be contacted on matters involving this submission:					
Prefix: 		First Name: Sofia		Middle Name: 	
Last Name: Bajana		Suffix: 			
Title:					
Organizational Affiliation: Commercial Development Project Manager					
Telephone Number: 505-645-2709			Fax Number:		
Email: sofiabajana@cabq.com					

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY**8a. TYPE OF APPLICANT:**

C: City or Township Government

Other (specify):

b. Additional Description:

9. Name of Federal Agency:

DOT Federal Railroad Administration

10. Assistance Listing Number:

20.337

Assistance Listing Title:

Consolidated Rail Infrastructure and Safety Improvements Program

11. Descriptive Title of Applicant's Project:

Sunport Rail Spur Project

12. Areas Affected by Funding:

The immediate impact will be within the metropolitan area and at national, regional, and statewide levels as the project area develops.

13. CONGRESSIONAL DISTRICTS OF:

a. Applicant:

NM 1st

b. Program/Project:

NM 1st

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

Add Attachment

Delete Attachment

View Attachment

14. FUNDING PERIOD:

a. Start Date:

12/01/2026

b. End Date:

11/01/2028

15. ESTIMATED FUNDING:

a. Federal (\$):

18,513,752.00

b. Match (\$):

4,628,438.00

16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?☒ a. This submission was made available to the State under the Executive Order 12372 Process for review on:

06/23/2026

☐ b. Program is subject to E.O. 12372 but has not been selected by State for review.☐ c. Program is not covered by E.O. 12372.

APPLICATION FOR FEDERAL ASSISTANCE SF-424 - MANDATORY**17. Is The Applicant Delinquent On Any Federal Debt?**Yes ☐ No ☒

18. 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 ☒

** This 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:

Organizational Affiliation:

Telephone Number:

Fax Number:

Email:

Signed by Authorized Representative:



Signature ID: 062424609B0741A...

Date Signed:

Attach supporting documents as specified in agency instructions.

An application to

FY 2025-2026 Consolidated Rail Infrastructure
and Safety Improvements Program (CRISI)

SUNPORT RAIL SPUR PROJECT

PROJECT NARRATIVE

June 25, 2026

Submitted by





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COVER PAGE

Project Title	Sunport Rail Spur Project
Applicant Name	City of Albuquerque
Amount of CRISI Program funding requested under this NOFO	\$18,513,752 (80%)
Total amount of proposed non-Federal cost share	\$4,628,438 (20%)
Amount of non-CRISI Federal funding (if applicable) including pending awards	\$0
Total Project Cost	\$23,142,190 (\$2027)
Source(s) of proposed non-Federal cost share and other Federal funding	\$4,628,438 local Albuquerque revenues
Was a Federal grant application previously submitted for this Project?	Yes. CRISI, FY23-24, Sunport Rail Spur Project BUILD, FY 26, Sunport Rail Spur (under review)
City(ies) where the project is located	City of Albuquerque
County(ies) where the project is located	Bernalillo County
State(s) where the project is located	New Mexico
Congressional districts) where the project is located	NM 1st
What percent of funding is spent in a Rural Area?	0%
Amount (if any) of funding request eligible for set-aside funds	none
Lifecycle State(s) proposed to be funded by this NOFO	Project Development Final Design Construction
Current Lifecycle State and its anticipated completion date	Project Development Completion date
Is the project located on real property owned by someone other than the applicant?	No. The City owns all land needed for the Project.
Host railroad/infrastructure owner(s) of the project assets	City of Albuquerque
Other impacted railroad(s) (including tenants)	New Mexico Transloading BNSF
If the applicant is a commuter railroad: list the intercity passenger and/or freight railroad service(s) utilizing the proposed project	The applicant is not a commuter railroad.
Has the applicant executed an agreement with the host railroad regarding use of the railroad right-of-way where the project will be located consistent with 49 U.S.C. § 22905(c) (if applicable)?	The City owns the right-of-way; no agreement is required. Not applicable.



Is the project currently programmed in any medium- or long-range planning document?	Yes. Part of the 2026 plan for the I-40 TradePort Corridor, a designated Regional Infrastructure Accelerator. Also in the 2026 State Rail Plan, p. 67. Both the Sunport Commerce Center Transportation Plan (2019) and Valle de Sol Sector Development Plan (2017) recommend reactivating the Kirtland Rail Spur to support economic development near the airport.
Is the project located on a potential corridor selected for the Corridor Identification and Development Program?	No
Is the project expected to need a waiver under FRA’s domestic preference requirements?	No



Project Summary

The City of Albuquerque's *Sunport Rail Spur Project* (the "Project") will rehabilitate and improve 6.3 miles of an existing rail spur that is physically adjacent to the Sunport, Albuquerque's international airport. The Project for which CRISI grant funds are sought will complete the necessary environmental, design and construction work to bring the spur into a uniform state of good repair consistent with Class 2 track, and add a siding built off of the spur to connect with tenants' properties in the nearby industrial park and to be used for sidecar parking and assembling train cars. The Project will also construct a retaining wall to protect the curve of the track from erosion and add technology that 1) integrates the rail operation's security applications with those of the airport's and 2) allows railcar operators to use the latest anti-theft, condition and location monitoring sensors in this border state. The Project is an investment with independent utility that creates a direct rail connection between two existing business parks and a Class I railway (BNSF), allows shippers and consignees to use unit trains (not currently possible in Albuquerque), and provides multiple opportunities to tie in other large shippers to facilitate freight movement between air, rail and highway. The rail spur is also vital for accommodating and enabling expected local and regional growth—based on publicly-announced industrial relocations and expansions; Albuquerque is the eastern terminus of the I-40 TradePort Corridor that extends to the Ports of Los Angeles and Long Beach. The Sunport is developing a multimodal facility with additional spurs to accommodate industrial and commercial growth in nearby communities such as Mesa del Sol, that will provide much-needed industrial diversification of industry and work opportunities in the regional economy.

Project Budget

The City has been developing this Project and making strategic investments for over five (5) years. Table 1 summarizes the funding sources and uses by lifecycle state; the Project has only one component—the spur. The total project cost is \$23,142,190 (\$2027), of which 20% will come from non-federal funds. The remaining 80% reflects the requested grant from the CRISI program. There are no restrictions on the match funds; they are available upon notice of award.

Cost Estimate: The cost estimate was developed by a licensed engineering company local to the Albuquerque market and knowledgeable about the railroad industry, local conditions and building costs. This estimate was reviewed by a third-party engineering firm and updated in June 2026. A more detailed copy of the cost estimate is provided with this application. The engineering team developing the cost estimate reviewed past cost estimates for the project and then walked the entire length of the spur to assess whether and how conditions had changed since the last cost estimate. The engineering team revised the past cost estimate to take into account the conditions they saw during their field assessment. The Sunport also commissioned a drone fly-over which captured images and video of the rail spur's current conditions. This information has helped inform the cost estimate and assessment.

Contingency: The budget includes 10 percent (of the full spur project construction project (\$20,642,190) for contingency. No contingency is taken on the purchase of technology equipment.



Level of Design: The Project advanced to 30 percent design on April 15, 2026. Recent construction work by New Mexico Transloading on the spur in 2025 helps inform the costing as well. The cost estimate is in 2027 dollars. The Project is located in Census Tract 40.01 that is part of a Qualified Opportunity Zone.

The City's non-federal funds will come from general revenues. A letter of financial commitment is provided. All funds will be spent in an urban area.

Table 1 Project Cost Classifications by Funding Source, (2027)

Lifecycle Stage	Cost Classification	CRISI Funds	Other Federal Funds	Non-Federal Funds	Total Project Cost
NA	Project Management	\$280,000	\$0	\$70,000	\$350,000
Project Planning	Environmental Documentation	\$80,000	\$0	\$20,000	\$100,000
Final Design	Engineering Design	\$80,000	\$0	\$20,000	\$100,000
Construction	Construction	\$14,572,502	\$0	\$3,643,125	\$18,215,627
Construction	Contingency	\$1,501,250	\$0	\$375,313	\$1,876,563
Construction	Technology	\$2,000,000	\$0	\$500,000	\$2,500,000
Total		\$18,513,752	\$0	\$4,628,438	\$23,142,190

Applicant Eligibility Criteria

The City of Albuquerque is an eligible applicant as a political subdivision of a state, as outlined in the CRISI Notice of Funding Opportunity (NOFO). The City's status as a political subdivision is provided in the New Mexico State Constitution, Article X, Section 6 that describes the powers of a municipality and Article 1: Incorporation and Powers of the City's Charter that describes the City's incorporation.

Project Eligibility Criteria

The Project is eligible under multiple criteria identified in the NOFO, highlighting the Project's alignment with the CRISI Program's priorities. These include:

- Deployment of railroad safety technology, including positive train control (PTC) and rail integrity inspection systems.
- A capital project as defined in 49 U.S.C. 22901(2), except that a project shall not be required to be in a State rail plan developed under 49 U.S.C. chapter 227.
- A rail line relocation or improvement project.
- A capital project to improve short-line or regional railroad infrastructure.
- The preparation of regional rail and corridor service development plans and corresponding environmental analyses.



In addition, because of the Project's unique location, it improves the connection with two other modes: highway and air. This could underpin one additional source of eligibility if the Secretary agrees—" Any project that the Secretary considers necessary to enhance multimodal connections or facilitate service integration between rail service and other modes."

Detailed Project Description

The City has been developing this Project and making strategic investments for over five (5) years. The Project will rehabilitate and improve 6.3 miles of an existing rail spur that is physically adjacent to the Sunport, Albuquerque's international airport. The City purchased the first 4.3 miles in 2021 from the federal government and following the completion of right-of-way acquisition in 2025, the Sunport owns the entire spur and nearly 1,000 acres of undeveloped property for future economic development use. While one section has been minimally upgraded (less than Class 2) 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 make investments along the entire 6.3 mile length of the spur to bring it into a uniform Class 2 track rating.

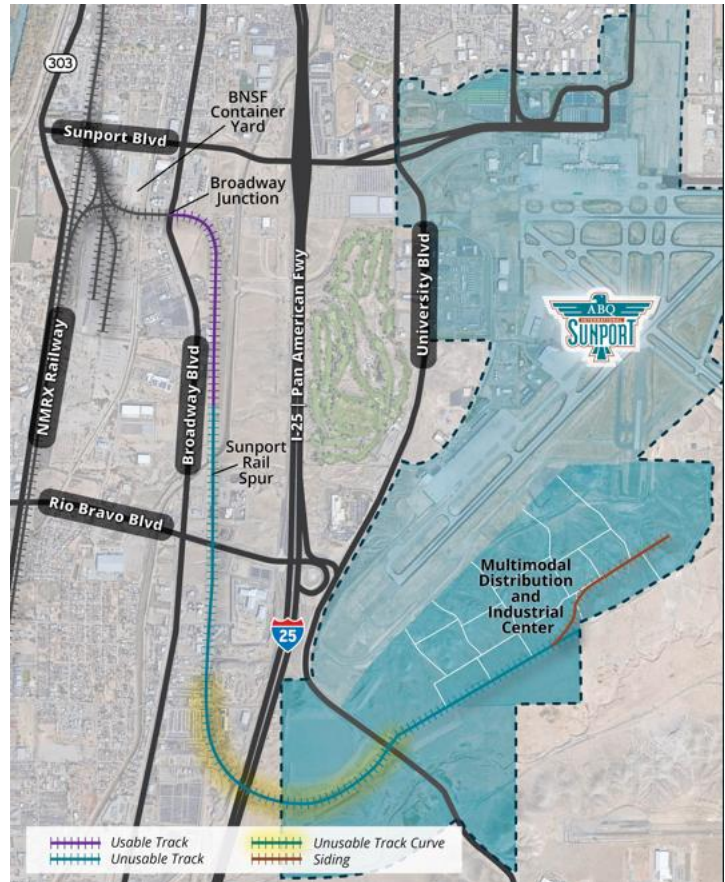


Figure 1 A Map of the Spur and Project Area

Statement of Work

The Project for which CRISI 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 Transloading. 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 Project will add a siding (see red shading) built off of the spur to connect with tenants' properties in the nearby industrial park and to be used for sidecar parking and assembling train cars. The Project will also construct a retaining wall to protect the curve of the track (highlighted



in yellow) from erosion and add technology that 1) integrates the rail operation's security applications with those of the airport's and 2) allows railcar operators to use the latest anti-theft, condition and location monitoring sensors.

Pre-Construction

The City has hired a consultant to prepare preliminary and final design for track improvements, inclusive of the retaining wall and technology enhancements, for review by the City and the New Mexico DOT's Rail Bureau. Construction plans will need to be approved by NMDOT. The project will take two years to complete with most construction work in 2028.

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 class of action, 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.

Current Lifecycle Stage

The Project is currently in the Project Development Lifecycle stage. The Project completed preliminary design in April 2026.

Construction

Construction work will include the following activities.

- Rehabilitate 6.3 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:

- Clearing and reclaiming sections of track along the curve lost to erosion, clearing culverts, and grading the track,
 - Replacing single shoulder 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 new siding in vicinity of multimodal facility site comprised of a turnout and approximately 120' of Class 2 track
- 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.
- Install broadband, lidar, sensors and cameras along the spur for security and safety applications



- Purchase and install broadband and lidar along corridor to accommodate emerging railcar monitoring technologies (such as RailPulse but not exclusive to RailPulse sensors) that are being adopted by the railcar fleet industry.
- Purchase and install Genetech smart cameras (visual) and Shot Spotter sensors (sound) detection to tie spur operations into the real time crime center at City of Albuquerque. The airport facility is already connected to the crime center with the same technology.

The Project is ready to move forward upon notice of award and a signed agreement. As described in the Project Description, the City has been developing this Project and making incremental investments with local non-federal funds to acquire the spur and adjacent property, has undertaken regular consultation with its hub partners, as well as completed Preliminary Design.

Proposed Schedule

Table 2 Proposed Schedule: The Project Can be Accomplished Quickly

Milestone	Start	End
ROW Acquisition	Completed	Completed
Preliminary Design	January 15, 2026	April 15, 2026
Project listed in TIP/STIP	August 2026	August 2026
Anticipated Finalization of CRISI Grant Agreement		November 2026
NEPA	December 2026	May 2027
Permitting	November 2026	May 2027
Final Design	December 2026	July 2027
Construction	September 2027	November 2028

Environmental Documentation

While the specific class of action will be determined by FRA and/or FAA, the Project team anticipates that the project will qualify for a Categorical Exclusion (CE) given exempted activities per 23 CFR §771.116: Maintenance or repair of existing railroad facilities, where such activities do not change the existing character of the facility, including: 1) Equipment, track and bridge structures, electrification, communication, signaling, or security facilities; and 2) Minor rail line additions including construction of side tracks, passing tracks, crossovers, short connections between existing rail lines, and new tracks within existing rail yards or right of way. See Environmental Readiness section for more detail.

As illustrated in **Error! Reference source not found.**, there will not be a change in use with the Project.



The Project workplan and budget include tasks and resources to complete the CE if selected for award. It is anticipated that the City will hire a contractor through competitive bidding. While the Project is located in an industrial area, it is within an existing rail easement, and an environmental record search did not turn up any adjacent hazardous sites. Also, while the rail spur encounters four drainage ditches considered wetlands, any maintenance work is exempt. Nor are impacts from flooding expected due to raised rail spur on embankments. Finally, because the project is located within developed or vacant upland areas, no threatened or endangered species are impacted.

Section 106 Program Comment for Rail right-of-way identifies the following activities, which may be included in the project, as exempt from the National Historic Preservation Act:

- 1) Track and track-bed maintenance, repair, replacement, and upgrades within the existing footprint
- 2) Maintenance, repair, or rehabilitation of at-grade railroad crossings including installation of railroad crossing signs, signals, gates, warning devices, and signage, road markings, paving and resurfacing, and similar safety features
- 3) Removal of contaminated ballast, subgrade, and soils

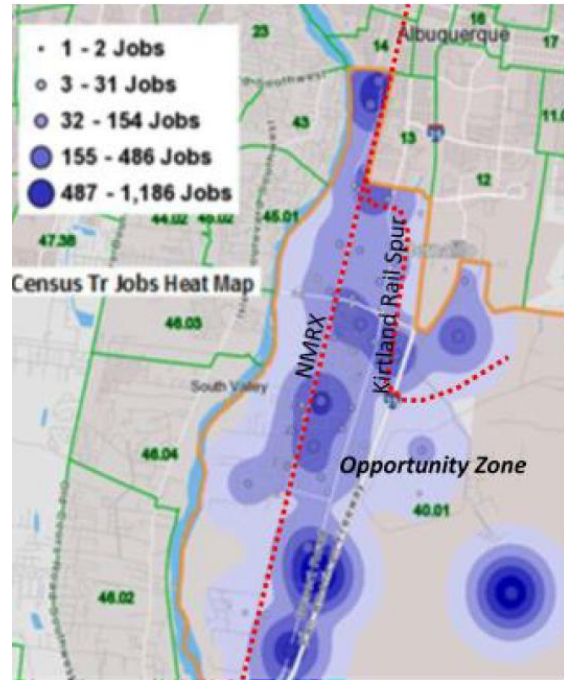


Figure 2 Employment Clusters in the Vicinity of the Spur



Figure 3 Before and After: The Spur's Existing Condition (left) and its With-Project Future Condition



Permits and Approvals

The usual construction permits are anticipated; the sponsor has been in contract with all partner agencies to confirm this.

Coordination with DOT

The NMDOT has been part of the Project team's hub advisory team and has received regular briefings on the project throughout its development.

Additional Information on Transportation Challenges Addressed

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. The photos below show the spur's current state and how it would look after rehabilitation.

- Ability to Meet Future Demand.** There is demonstrated demand for transload capacity in the region. With just the initial segment of the spur returned to minimal operational condition, it is in weekly use. 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 developing a multimodal facility in the future with additional spurs to accommodate industrial and commercial growth in nearby communities such as Mesa del Sol. Moreover, Albuquerque is at the eastern terminus of the I-40 TradePort Corridor, which connects to the Ports of Los Angeles and Long Beach.
- 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 Pacific Fusion's decision to relocate its HQ campus at Mesa del Sol (adjacent to the spur), and solar equipment manufacturer Maxeon's choice of Albuquerque for its U.S. factory
- 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.
- 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.
- Safer Operations.** Because the spur was entirely inactive for several decades before its 2021 purchase and subsequent track rehabilitation, it has experienced very low-speed, highly controlled, and limited freight traffic, resulting in an accident-free record. That said, greater car volumes are anticipated once the full length of the spur has been rehabilitated to a uniform Class2 track. Analysis by the American Association of Railroads of FRA derailment statistics found that 70 percent of all derailments occur in



low-speed yards, highlighting the safety value of the Project's uniform upgrade to Class 2 in anticipation of growing volumes.¹ See discussion of benefits for additional information and derailment rates by class of track.

Grade Crossing Information

As the project reactivates a long-idle rail line dating back to the mid-20th century to carry heavy commodity freight (such as steel coils, fracking sand, and plastics), the existing standard public-safety infrastructure must be upgraded. The existing alignment for the spur traverses three existing public crossings as described in Table 3. One crossing is for an arterial road; the other two crossings are part of small low-volume parcel access roads. The spur also crosses two dirt access roads internal to the industrial area; neither road shows as a crossing in FRA's database.

- Only the crossing at Rio Bravo is on an urban arterial; the others are internal to the industrial area and spur operations. Only the Rio Bravo crossing already has quad gates and signals. The Project will add the additional capability of tying the signal system into the City's street signal network to flash a red stop light as trains approach.
- As El Rey Road operates as a short, low-volume industrial local cul-de-sac rather than an arterial or collector roadway, it falls outside the routine public reporting schedule of regional traffic monitoring agencies. It provides access to a single firm in the industrial area. FRA's Inventory Form lists the 2010 AADT at 100.
- As Prosperity Road serves a small industrial property, rather than through-traffic or regional commuters, it falls outside of the functional classification required for regular AADT measurement. FRA's Inventory Form (updated 2023) lists the 2012 AADT at 2,519.

Table 3 Summary of Grade Crossings Included in the Project

US DOT Grade Crossing Inventory ID	Proposed Improvement	Rail Operator	Railroad Owner	Latitude	Longitude	GXAPS Ann. Ave. Predicted Value
019433N	Tie into signal network at Rio Bravo	NM Transloading; BNSF	CABQ	35.0247360	- 106.6446410	Null; no accidents last 5 yrs
019434V	Bring existing asphalt and timber crossing to state of good repair at El Rey Road	NM Transloading; BNSF	CABQ	35.0197340	-106.6446470	Null; no accidents last 5 yrs
019436J	Add warning signs to this existing dirt road crossing	NM Transloading; BNSF	CABQ	35.0147300	-106.6445900	Null; no accidents last 5 yrs

Source: DOT Federal Railroad Administration Rail Crossing Locator

Note: CABQ=City of Albuquerque

NM Transloading and BNSF operate on the spur with CABQ's consent.

¹ Association of American Railroads. 2025 Freight Train Derailments Key Fact Sheet. Accessed: [Train Derailments | Causes & Prevention](#)



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.

Project Location

The Project is located southwest and adjacent to Albuquerque Sunport, the city’s international airport. The spur connects directly to the BNSF rail line and two industrial parks. **Error! Reference source not found.** in the Detailed Project Description section provides details on the project area. Figure 4 shows the Project in the context of the broader region’s corridors and industrial areas.

Geospatial Coordinates
Start of the Spur: 35.044378, -106.646898
Ending of the Spur: 35.022992, -106.609619

The Project is in New Mexico’s 1st Congressional District.

The unique intermodal hub (air, rail, highway) created by the reactivation of the spur is located 12 minutes south of I-40 via I-25; Albuquerque is the eastern terminus of the I-40 TradePort Corridor (I40TPC or TPC). The TBC begins at the Los Angeles seaports complex and extends across the United States, with the first phase ending 805 miles inland at Albuquerque, New Mexico. The corridor thus integrates ocean, road, rail and air cargo movement into one purpose-planned corridor.

The TPC has been designed around advances in technology and planned as an integrated next-generation multi-modal model to create logistics efficiencies. This project is being coordinated with a coalition of public and private organizations. The I-40 TradePort Corridor Coalition is a group of multi-state public and private partners from California, Arizona and New Mexico, as well as USDOT that have agreed to work together to advance this logistics vision.

In addition, the Sunport hub has been invited by the State to apply for Inland Port Designation under New Mexico’s newly passed Trade Ports Development Act (Laws 2025, Ch. 86, House Bill 19). The rulemaking for the Act is underway in 2026 to guide issuing, managing, and using trade port development funds. If the Sunport receives the designation (TBD later in 2026), this state inland port funding can be used to support enabling infrastructure (utilities, last mile connections), connectivity, and economic development projects that leverage the spur funded by this grant application. The Sunport Spur’s ability to support an inland port is underscored by conversations with the Port of San Diego about possible future logistics partnerships.

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.***



Figure 4 The Project in the Context of the Region's Rail and Highway Corridors and Industrial Areas



Evaluation and Selection Criteria

The following narrative describes the Project's Readiness, its Technical Merit, and its Project Benefits.

Project Readiness

The Project has completed Preliminary Engineering and acquired 100 percent of all property needed to complete the Project. The Project can move forward into NEPA and Final Design upon notice of award and authorization to begin work.

- As described in the Environmental Information section, the City anticipates that the NEPA class of action will be a Categorical Exclusion (CE), pending confirmation from FRA and/or FAA.
- The Project is not yet listed in the STIP, TIP, TTIP or TAM. The City has accomplished all project development accomplished to date with its own funds. 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 MPO and the State DOT are both on the Project team's hub advisory committee and have received regular briefings about the Project throughout its development. Each agency is poised to add the project to the STIP and TIP as required.
- 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 Sunport owns the entire spur line and all necessary easements. In addition, the Sunport has purchased an additional 1,000 acres of land near the spur to support economic development. No right-of-way acquisitions will be needed to complete the Project for which CRISI funding is sought.
- The City has coordinated with BNSF and local transload operators throughout the project development process. BNSF already serves the transload operation made possible by the investment in the initial operating segment of the spur and is committed to continuing this service as volumes increase with the longer improved spur and surrounding development.

Consistency with Other Plans

Further supporting the Project's readiness is its consistency with national, state and local planning priorities. Both the Sunport Commerce Center Transportation Plan (2019) and Valle de Sol Sector Development Plan (2017) recommend reactivating the Kirtland Rail Spur to support economic development near the airport. The Project is a necessary pre-requisite for the City's plans for a multimodal distribution facility at the Sunport. While this Project has independent utility, it also opens up future opportunities for growth and development. The report for the multimodal facility specifically calls out the need for the rail spur. "The Sunport should concentrate its efforts on three areas to enhance and improve freight rail connectivity to the Albuquerque region.



- Collaborate with BNSF to identify intermodal rail customers with sufficient volume to justify adding new intermodal origin/destination markets that would serve Albuquerque.
- Advance critical-path next steps toward reactivation of the Kirtland Rail Spur
- Collaborate with BNSF to identify carload rail customers that can be readily served via BNSF.

Freight Plans

The need for transloading has been noted in multiple rounds of rail plans. The new 2026 state rail plan calls out the Sunport Commerce Overlay Zone (p. 67) that could leverage the former Kirtland Air Force Base spur to create a logistics hub that would attract businesses and capitalize on the logistics advantages of the airport². The State's Freight Plan (2015) and Rail Plan (2014) note the need for industrial on-site access to rail spurs and intermodal facilities. The development plans can be found on ([www.bernco.gov/ planning/](http://www.bernco.gov/planning/)) and NMDOT (www.dot.state.nm.us) websites.

“Although trucks are a key freight transportation mode for all industries in New Mexico, many of the State's industries are dependent on freight rail transportation to some degree. These sectors ...utilize large quantities of high-weight but relatively low-value commodities that are not time-sensitive. Other industries ...depend on intermodal (truck/rail) services, as freight movements ...often involve lower weight/higher value commodities (e.g., consumer products) and many facilities do not include an on-site rail spur.”

Technical Merit

No unique construction techniques will be required. This is a simple rail upgrade project with a large economic impact. As part of its efforts to develop the Project, the City created a group of local advisors who could help with the development of the hub strategy. The City hired a consultant to manage the day-to-day logistics of the advisory group meetings. These “hub advisors” have met on a regular basis for over two years and continue to meet in 2026. This group has been instrumental in connecting the Project's leadership team with peer projects in other parts of the country. For example, the Project team visited Huntsville, AL to learn about that successful project. These meetings have allowed the Project team to determine best practices and bring home lessons learned from those other successful projects.

The hub advisors meetings have also allowed the City to keep a potential partners and stakeholders informed on the progress of the project. Member organizations are listed in the callout box. As shown, membership includes a broad swath of organizations with the expertise to help make the spur and associated multimodal hub a success. Membership organizations can inform the operational, legal, financial, and economic development aspects of the Project's implementation and subsequent market adoption.

In addition, the Project's transformational potential received national recognition in September 2023 when Sunport officials announced that they were one of only 10 cities selected to be part of the inaugural cohort of i3, the Innovative Infrastructure Initiative, a group focused on

² New Mexico Department of Transportation. 2026. New Mexico State Rail Plan, p.67. Accessed: [acb6f07f-6a85-4736-aa30-392113a3a535](https://www.nmdot.gov/Portals/0/2026%20New%20Mexico%20State%20Rail%20Plan.pdf)



accelerating the deployment of transformative infrastructure projects. Part of Accelerator for America, i3 convenes a network of policymakers, technologists, investors, and thought leaders to help communities leverage new funding and technology, foster innovation, and deliver on infrastructure that tackles old problems with new solutions.

The Project has benefited from its access to the i3 network of technical specialists and their guidance.

Workforce

The Project’s development has included planning for the workforce needs to maintain safe operation and maintenance of the spur once it is in use. At present, NMT (the current user of the spur’s initial operating segment) provides on-the-job training for local employees. Of the approximately 16 employees currently working at the facility, about 80 percent were hired locally from Albuquerque’s South Valley, according to representatives from the company.

In addition, the City plans to utilize its existing training program to supplement the company’s own investments. Job Training Albuquerque (JTA) is a partnership between the City of Albuquerque, Central New Mexico Community College (CNM), CNM Ingenuity and several nonprofit skills-based training programs. JTA is a job creation program intended to help match labor pool skills with the needs of employers and is free for both the employee and the employer. JTA contracts directly with partner training programs for each employer who qualifies, resulting in no out-of-pocket costs to employers or their employees. It was created to help the Albuquerque economy grow—one business and one job at a time. To date, more than 1,500 workers have enrolled in the program since its inception in 2020, (1,539) and 232 Albuquerque businesses have participated. The added earning power of participants is nearly \$40 million. (\$39,942,136). That’s a 24% increase in wages across participants. (23.99%)

Spur and Multimodal Hub Advisors

- Aviation Department, CABQ
- Economic Development Department, CABQ
- Planning Department, CABQ
- Metropolitan Redevelopment Agency, CABQ
- Parks Recreation, CABQ
- Albuquerque Regional Economic Alliance (AREA)
- New Mexico Economic Development Department
- Office of Strategy, Science, & Technology
- Bernalillo County
- Sandoval County
- Los Lunas
- Mid-Region Council of Governments
- NM House of Representatives
- Private Sector & Organizations
- GLD Partners (economic development/site selection consulting)
- New Mexico Transloading
- Llano Estacado (engineering)
- Transportation & Consulting, LLC
- New Mexico Innovation Hub
- Sandia National Labs
- Dekker Perich Sabatini, Architecture and Engineering
- NAIOP, Commercial Land Development Association
- BNSF Railway
- New Mexico Department of Transportation
- NM Trade Alliance
- NM Trade Alliance
- Horne Ventures LLC (real estate near the spur)
- C&S
- Tierra West LLC
- NM Start up Alliance
- Monday.com Consulting

Control and Maintenance of Spur Once Constructed

As the spur is foundational to establishing a multimodal hub at the Sunport and developing the 1,000 surrounding acres that it purchased with local funds, the City is keen to retain ownership



and maintain the asset in a state of good repair. Once operational, the Project creates a new revenue stream for the City. Three private firms, including New Mexico Transloading and BNSF, have expressed interest in operating the spur once it is constructed. These companies will bid for the rights to manage the operations. The selected firm will pay the City under a lease agreement and/or pay a per car fee depending on the ultimate structure of the financial agreement. However the agreement is structured, the City will receive revenue for the Spur's operation that is expected to growth the market's adoption and use of the spur over time. This revenue will be available for maintenance of the spur and for additional build-out as businesses lease the surrounding land that was purchased by the City and request rail service to their facilities.

Project Benefits

This section addresses how the Project aligns with the Merit Criteria in the order that they are listed in the NOFO. Table 4 provides a snapshot summary of the responses. The balance of the section elaborates on each point, providing data and evidence for each.

Table 4 How the Project Aligns with the Merit Criteria

Merit Criterion	How the Project Aligns with This Merit Criterion
Safety	Transloading shifts the cargo carried by long-haul freight from trucks to rail, thus reducing the number of heavy trucks on public roads, which statistically lowers the frequency of road-related accidents. On the transload site itself, track upgrades reduce the chance of derailments, making workers safer.
Environmental Sustainability	Transloading allows shippers to reroute midway through the cargo route (dynamic rerouting) to bypass congested border crossings, ports or hazardous weather, keeping shipments out of potentially dangerous bottlenecks. By shifting cargo from trucks to rail, transloading shifts cargo to a more fuel efficient mode that generates fewer emissions. The Project will use heat-resistant materials that are resilient to the increasingly large temperature fluctuations in the high desert.
Supply Chain Efficiency/Affordability for Families	Transloading reduces cost pressures in the supply chain, helping to foster affordability for families and all consumers.
Mobility and Asset Integration	The new transload site will provide a new option for multimodal freight shippers by co-locating air, rail and highway together. The value of this interoperability is enhanced by Albuquerque's location on the I-40 TradePort Corridor that connects to the Los Angeles port complex.
Economic Competitiveness and Opportunity	The spur will enable receipt of unit trains, which provide cost savings to shippers. Having local transload capability will support existing firms and help attract new ones to Albuquerque, helping to diversify the economy. Both the current user of the spur and the hub advisory group indicate that there is unmet demand for transload capability in Albuquerque.
State of Good Repair and Ability to Meet Demand	By shifting cargo from trucks to rail, there will be less wear and tear on the nation's highways. The Project repurposes an obsolete rail asset from the World War II era, to a much needed 21 st century transportation asset. In doing so, it helps the region meet growing



Merit Criterion	How the Project Aligns with This Merit Criterion
	demand for transload services. It is anticipated that an additional 1,400 railcars will be served once the spur is completed.
Technology and Resilience	Albuquerque is part of the Smart Cities program and will include the Sunport Spur in the deployment of technologies. The Project will use heat-resistant materials.

Safety

The Project improves safety in two ways. First, as the Sunport's transload facility comes more fully into operation, shippers will have the option of using rail rather than truck for a large part of the surface travel portion of the route. The crash rate for trucks is greater than for rail. Thus, the reduction in truck vehicle miles traveled reduces the probability of a crash for the same amount of freight travel. "Rail freight transportation incurs 1/8 of the fatalities and 1/16th of the injuries that trucks experience per ton-mile. The employee injury rate for rail is about half that of trucks."³

Second, by upgrading the north end of the spur that has been repaired enough to be usable, and returning the balance of the spur to a state of good repair, operations have become safer as there is less chance of derailment. This benefits workers directly, as well as shippers whose goods might be damaged.

Safety for Transloading

Upgrading track from Class 1 (lowest quality, about the quality of the northern end of the spur) to Class 2 improves worker safety by reducing derailment risks through better track geometry and, specifically, by enabling advanced technologies like Vehicle Awareness Technology, which provides audio/visual alerts to workers regarding approaching trains. These upgrades enhance overall reliability, lower injury risks, and allow for better maintenance practices.

Table 5 Derailment Rates by FRA Track Class for Class 1 Main-Line Freight Trains

Class	Train Derailments per Million Freight Train Miles	Train Derailments per Billion Freight Car Miles
X and 1	48.54	720.1
2	6.06	92.7
3	2.04	31.5
4	0.53	7.8
5	0.32	4.9
All classes	1.00	14.8

Source: Xiang Liu, Christopher P. L. Barkan, and M. Rapik Saat, "Analysis of Derailments by Accident Cause Evaluating Railroad Track Upgrades to Reduce Transportation Risk," Transportation Research Record: Journal of the Transportation Research Board, No. 2261, Transportation Research Board of the National Academies, Washington, D.C., 2011, pp. 178–185. Table 1 in the paper.

³ The Economic Impact of America's Freight Railroads," Association of American Railroads, Policy & Economic Dept., February, 2009, pgs. 1-3. In Spraggins, H. Barry, [*The case for rail transportation of hazardous materials*](#), Journal of Management and Marketing Research.



Key safety benefits of upgrading track to Class 2 include:

- **Reduced Derailment Risk:** Higher-quality tracks reduce the likelihood of derailments, which are dangerous for maintenance workers working in a transload yard in proximity to the railcars. As shown in Table 2 the likelihood of a derailment drops significantly when track is upgraded from Class 1 to Class 2 as with this spur project.

Moreover, track-related derailments tend to be more severe than equipment-related derailments when measured by the number of cars involved as shown by the table below.

Table 6 Estimated Average Number of Cars Derailed by Accident Cause and Track Class

Cause Group	Class 1	Class 2	Class 3	Class 4	Class 5	All Classes
Broken rails or welds	6.7	11.1	14.9	17.2	17.0	14.0
Track geometry (excl. wide gage)	5.1	6.2	6.9	7.2	7.1	6.6
All track causes	5.8	9.4	12.5	15.1	15.9	12.1
Bearing failure	NA	5.5	5.8	6.1	6.3	6.0
Broken wheels	3.6	5.4	6.5	7.8	8.1	8.1
All equipment causes	3.6	5.2	6.0	6.8	7.2	6.5
All accident causes	5.0	7.3	8.9	10.2	10.8	9.0

Source: Xiang Liu, Christopher P. L. Barkan, and M. Rapik Saat, "Analysis of Derailments by Accident Cause Evaluating Railroad Track Upgrades to Reduce Transportation Risk," Transportation Research Record: Journal of the Transportation Research Board, No. 2261, Transportation Research Board of the National Academies, Washington, D.C., 2011, pp. 178–185. Table 6 in the paper.

- **Enhanced Technology Integration:** Enables the use of specialized, Class 2-specific technologies like automatic, proximity-based alerts (Vehicle Awareness Technology) that warn workers of approaching trains.
- **Improved Structural Integrity:** Better track geometry reduces the need for frequent, dangerous repairs.
- **Better Safety Procedures:** Allows for more effective implementation of Roadway Worker Protection (RWP) programs, including improved, standardized safety protocols for working near moving equipment. FRA recently issued a Safety Alert concerning this type of incident after two maintenance workers were killed while working near maintenance machinery in two separate incidents⁴.

These upgrades create a more stable, predictable environment, reducing the necessity for last-minute emergency repairs under live traffic conditions.

⁴ Safety Alert, Roadway Maintenance Machines, March 19, 2024.



Environmental Sustainability

The Aviation Department (Aviation) is extremely committed to its sustainability goals and initiatives. Over the past twelve years, the City's Aviation Department has applied for, and been awarded, a number of Federal Aviation Administration (FAA) grants. These grants were either through the Zero Emission Vehicle (ZEV) program or the Voluntary Airport Low Emissions (VALE) program. These particular programs assist airports with the resources needed to reduce emissions and to help improve the local air quality within our communities. Currently, Albuquerque and Bernalillo County are designated by the Environmental Protection Agency (EPA) as being in Maintenance for carbon monoxide (CO); any means to assist in the improvement of Albuquerque's air quality is of the utmost importance. Shifting freight to rail from truck, as accommodated by the new transload yard, helps reduce emissions in the community.

With Aviation's acquisition of a rail spur, just south of the airport, there is a great opportunity to help improve the lives of our residents and communities in the South Valley. The rail spur would allow more freight to be transported into Albuquerque by rail car, rather than by truck. According to a paper published by the Association of American Railroads in February 2024, the EPA states that freight railroads contribute 0.5% of the total GHG emission in the U.S.; while trucks contribute 23.4%. Freight rail is by far the most fuel-efficient means to move goods across the county; one train can move almost 500 tons on a single gallon of fuel. That amount of freight moved by rail would eliminate hundreds of trucks from our highways. It is estimated that freight rail can lower GHG emissions by up to 75%, on average, versus moving freight by truck.

Quality of Life

Consumer inflation increases the cost of living for families relative to their earnings, placing pressure on their household budgets and spending power. As budgets are "squeezed," households must borrow, spend down savings, or cut back spending, which reduces overall quality of life for families. Supply chain disruptions can spark inflation as we've seen in recent years with the COVID pandemic, international and political uncertainty, as well as disruptions due to war and weather.

Transload capability significantly boosts consumer affordability by reducing transportation costs through the combination of cost-effective, long-haul rail with flexible, short-haul trucking. By optimizing shipment methods, avoiding port congestion penalties, and consolidating freight, companies lower logistics expenses—savings that reduce price pressure in the supply chain.

- Rail transport is generally cheaper than trucking for long distances. Transloading allows companies to leverage rail for the bulk of the journey, even if the origin or destination lacks direct rail access.
- By consolidating smaller shipments into larger, more efficient, and fully loaded rail cars (or 53-foot trailers), transloading reduces the transportation cost per unit.
- Transloading allows products to move quickly out of crowded ports, avoiding hefty demurrage and detention (storage/delay) fees that would otherwise be added to the product's price.
- By optimizing the supply chain, companies reduce transit times and reliance on expensive, limited long-haul trucking. This enhances product availability, reducing price spikes caused by shortages.



- Transloading provides flexibility, allowing shipments to bypass clogged logistics routes, which helps maintain consistent inventory levels and stable, lower pricing for consumers.

Essentially, by creating a more efficient and responsive supply chain, transloading reduces the overall expense of moving goods, easing price pressures on consumer products. If producers pass along the savings to consumers, goods become more affordable. In the event that producers do not pass along the savings, there is still reduced pressure to increase prices...easing consumer inflation in support of affordability.

Mobility and Community Connectivity

The Project is a necessary pre-requisite for the City's plans for a multimodal distribution facility at the Sunport. While this Project has independent utility, it also opens up future opportunities for growth and development. The report for the multimodal facility specifically calls out the need for the rail spur. "The Sunport should concentrate its efforts on three areas to enhance and improve freight rail connectivity to the Albuquerque region.

- Collaborate with BNSF to identify intermodal rail customers with sufficient volume to justify adding new intermodal origin/destination markets that would serve Albuquerque.
- Advance critical-path next steps toward reactivation of the Kirtland Rail Spur
- Collaborate with BNSF to identify carload rail customers that can be readily served via BNSF.

The Project will improve integration with truck freight and air cargo when the Albuquerque Sunport builds a new maintenance and cargo facility. The Project will improve the efficiency, safety, competitiveness, and environmental sustainability of freight rail transportation for regional rail customers, facilitating rail-to-truck and rail-to-customer transfer activities, and promoting the continued use of freight rail within packages of multimodal transportation solutions.

Meeting demand is at the core of this Project. As described in the Transportation Challenge of this application, there is unmet demand from existing shippers/consignees for transload service and the expectation that demand is growing rapidly with industrial customers in the area asking for more service—Maxeon, TempurPedic, and Intel.

How Project Fits Within Applicant's Broader Infrastructure Investments

The Project is part of a larger program of infrastructure investments designed to accommodate anticipated growth and to diversify the local economy, thus protecting and enhancing the quality of life and opportunity in Albuquerque. The need to diversify was a central finding of the 2017 *Greater Albuquerque Transportation and Logistics Feasibility Study* managed by the Mid-Region Council of Governments. As many of the roads in the vicinity of the Sunport are owned by the New Mexico DOT (NMDOT), complementary investments are made in partnership with the state. Examples include:

- NMDOT is currently conducting a Phase 1-A/B Alignment Study for Interstate 25 between the Rio Grande Bridges and Sunport Boulevard which would include the Mesa del Sol/Bobby Foster Road Interchange. The goal of the Study is to determine future improvements needed for the I-25 corridor to address current congestion and enhance the capacity, safety, and access along this segment of the interstate highway as demand is anticipated to increase with the buildout of the



large Mesa del Sol development. The Mesa del Sol development is a mix of residential, commercial and industrial firms. Industrial tenants include Pacific Fusion's Research and Manufacturing Campus, Maxeon Solar Technologies and Netflix Production Studios.

- The City has purchased 1,000 acres of land in the vicinity of the Sunport hub to support economic development and plans to build additional spurs (see Figure 1 in Project Description) as businesses sign leases.

Economic Competitiveness and Opportunity

The Project has an “outsized” impact because of its strategic location and the local economy’s growing unmet need for rail transload capacity. As shown in Figure 5, years of neglect have taken their toll on the spur’s physical condition. Even in its current state, however, the Project represents an opportunity as refurbishing this asset is less expensive than building a new facility and opens up much needed capacity and options for industrial expansion.



Figure 5 The Unused Portion of the Spur Is in Disrepair

The Albuquerque region has an incredible opportunity to grow and diversify its economy by leveraging its transportation infrastructure, strengths in technology and workforce developments, and regional partnerships to support existing employers and attract new businesses. By making this targeted and regionally-focused investment at the juncture of three modes – air, rail, and highway at the intersection of I-25 and I-40 – it supports expansion of the local manufacturing and technology economies, both of which are priority sectors for the local and state economic development initiatives. While this Project is located in Albuquerque, its impact is larger than that, as it can support growth for the broader region.

Why Is Transload Capacity So Important for Albuquerque and New Mexico?

At first glance of the map, Albuquerque has great opportunities for logistics and distribution.

- Interstate I-40, one of America’s highest volume truck routes connecting the east and west coasts, intersects with I-25 in Albuquerque.
- The BNSF Railway’s Southern Transcon Line, the busiest intermodal freight rail corridor in North America, connecting Los Angeles with Chicago, passes through the Albuquerque region. BNSF operates a terminal for intermodal container exchange and a classification yard for rail cars that carry commodities.



- Thirty-five minutes south of Albuquerque, all trains on this high-density corridor make a mid-route stop at the town of Belen where the Southern Transcon connects with its BNSF's El Paso Subdivision line, the only line this Class I railroad owns that crosses the Mexican border. This rail line parallels I-25, which connects Albuquerque through a five-hour truck drive with Interstate I-10, the El Paso metropolitan area, and Santa Teresa, New Mexico's rapidly growing industrial center and Mexican border crossing. At Santa Teresa, the Union Pacific Railroad has built a major new intermodal terminal and classification yard.

A deeper dive, however, explains the limitations of these features on Albuquerque's rail transload and, by extension, industrial diversification and expansion.

- A large portion of truck cargoes on New Mexico's interstates and over 85% of the goods transported by rail in New Mexico are entirely pass-through traffic, neither originating nor ending their trips in the state.
- While the MRCOG region hosts a substantial trucking industry, inbound truck rates to the region are unusually high, as many trucks leave partially or entirely empty. Over 25% of the region's manufacturing output - and over 60% of its merchandise exports - are in computer and electronics products and other forms of high-tech production which tend to travel as air cargo. The low weight and volume of electronics products relative to their value also creates market demand for air freight. However, the limited scale and nature of the region's manufacturing products creates a fundamental logistics problem for truck and rail freight carriers and, consequently, for shippers and consumers; far more product volume comes into the area than goes out. As a result, back loads are often not available and empty trucks or intermodal containers must be repositioned effectively. This results in added expenses for regional customers who must pay high rates for inbound trucking or for the cost of draying containers to other markets where full intermodal service is available.
- Intermodal service to and from BNSF's Albuquerque terminal is limited to one pair region, Chicago. No direct intermodal service is currently available to the maritime ports of southern California or other regions. More than half of the cargo moved by this service consists of parcels rather than industrial components or consumer products to stock stores for mass distribution. The intermodal terminal in Albuquerque is small by current industry standards. To accommodate the mile-long trains "unit trains" that are now common in intermodal movements, a train would need to be divided in BNSF's classification yard and sent to the intermodal terminal in sections.
- Intermodal trains stop in Belen only for refueling and crew changes. No intermodal exchange of containers between truck and rail occurs there, and the exchange of cars between the Transcon and El Paso lines is very limited.

In short, while one of the nation's busiest rail intermodal routes runs through the Albuquerque region and with an intermodal terminal located in the City, the regional shippers pay higher than average trucking costs, there is no rail intermodal service directly to a maritime port from the region, and shippers cannot receive unit trains.

However, the City has basic intermodal infrastructure and service in place, so this Project's refurbishment of the spur allows the region to rapidly make a meaningful improvement on these conditions—at a lesser cost than constructing a new rail line.

- The additional length of the spur created by the Project will allow the spur's rail operators to handle unit trains, a lower cost rail option for local shippers and consignees.



- The region will double its transload capacity, allowing more shippers to connect to suppliers and customers by rail.
- The expansion use of rail for shipping will remove trucks from local roads, making them safer, reducing pavement wear and tear, and reducing emissions.
- The additional growth in transload capacity will expand the local rail market, a needed step for BNSF to expand the intermodal service offered in the region.

Local Demand for Service: Who Will Use the Expanded Capacity?

NMT, the current operator of the useable portion of the spur, reports that demand from existing customers is beginning to exceed their capacity to handle rail cars and that they have to sometimes ration the number of cars a shipper sends in order to provide at least a minimal level of service to each. The operator estimates that they could handle an additional 1,400 cars and that the market would absorb this new supply based on what they know about their existing customers' needs and market inquiries they receive for new service. In addition, a number of public announcements and the region's logistics plan suggests there is growing demand for rail service in the region.

Pacifica Fusion

Pacific Fusion announced its decision to build a \$1 billion nuclear fusion research and manufacturing campus in Albuquerque's Mesa del Sol industrial area in 2025. The anchor of Pacific Fusion's expansion is a 225,470-square-foot flagship facility that will house the company's "Demonstration System" (DS). The DS utilizes pulsed magnetic fusion technology to achieve a net facility energy gain by 2030. Their technology is intended to scale globally into modular units housed in shipping containers to supply municipal power grids, heavy industrial manufacturing, and massive data centers. The mix of delicate instrumentation used as inputs to construct the fusion units that would travel by air and heavy industry products that benefit from rail for delivery makes the nascent hub zone surrounding the Sunport Spur an ideal location. The project is projected to create 200 high-wage permanent jobs, hundreds of construction roles, and generate a \$1.17 billion economic impact over 10 years.

TempurPedic

The MRCOG logistics study reported that local manufacturer, TempurPedic would prefer its Albuquerque plant have access to rail facilities for delivery of high volumes of chemicals used in plant operation. Currently these supplies are being received via truck. TempurPedic's Albuquerque modern facility spans over 850,000 square feet, making it the world's largest mattress factory. The majority of the facility is dedicated to curing and storing large quantities of foam to be used in creating the mattresses. The facility was built in the early 2000s with incentives from New Mexico, including state investment tax credit, \$56 million in industrial revenue bonds, and \$1 million to subsidize worker training.

This TempurPedic plant supplies markets by truck in western United States, Canada, and Mexico, as shown in Figure 2. Trucks are the exclusive delivery mode, and are used to serve retail stores directly. Chemical products reach the TempurPedic plant via truck from Texas, and mattress covers are supplied from Mexico. TempurPedic's Albuquerque location supplies finished products to Western United States, Canada, and Mexico. The facility produces 2,000 mattresses a day and ships 300 truckloads of mattresses per month.



Intel

Intel's manufacturing plant was established in Albuquerque in the 1980s. The company is investing \$3.5 billion in its New Mexico operations and plans to hire more than 700 new workers to create a domestic hub for advanced semiconductor manufacturing at its fabrication plant. The

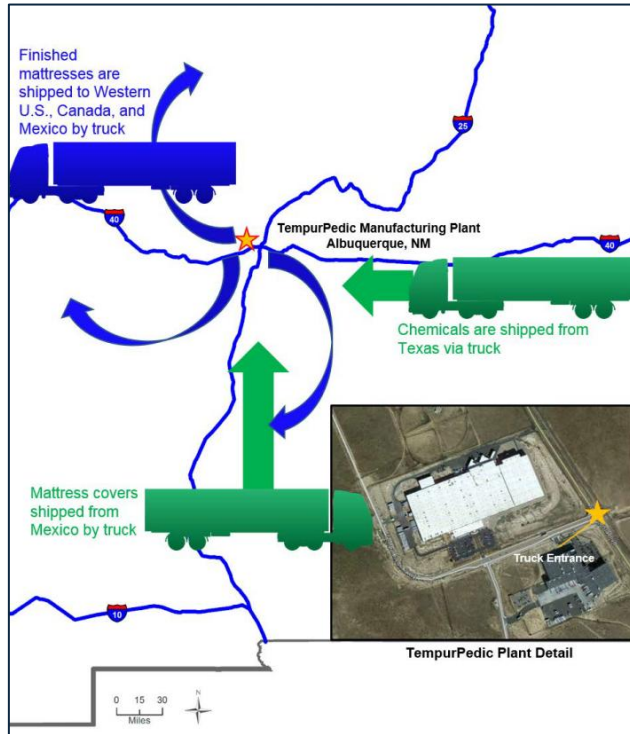


Figure 2 TempurPedic's ABQ Facility Conceptual Supply Chain

company plans to modernize facilities to accommodate its Foveros technology, a breakthrough innovation to meet increasing customer demand for stronger microprocessing performance. The new plant will support Intel's newest technology in advanced packaging, which allows the firm to mix and match computer tiles to deliver the best products. While a large portion of the technology products will be shipped as air cargo, many of the manufacturing and construction supplies arrive to the plant by truck and could benefit from rail service.

Maxeon Solar Technologies, Ltd.

Finally, Maxeon Solar Technologies, Ltd. has selected Albuquerque for the company's first U.S. manufacturing expansion. The company chose the site, in part, for its proximity to I-25, I-40 and the Sunport, and has expressed strong interest in this rail spur project and has indicated that it would ship product by rail if it became available, according to representatives from the City.

The company began construction in the first quarter of 2024, with factory ramp-up in 2025. The complex will be built on a 160-acre site adjacent to the City's property around the spur and will include solar cell fabrication, panel assembly, a warehouse, a research and development lab, and administrative offices. Once complete, Maxeon estimates the new facility will create up to 1,800 jobs, including highly skilled manufacturing and engineering jobs, and produce millions of solar panels each year for the U.S. market. The new world-class, 3-gigawatt facility will be designed to produce latest-generation TOPCon PV-silicon cell technology and Maxeon's proprietary shingled-cell Performance Line solar modules to meet rapidly growing demand for domestically produced solar panels.

State of Good Repair

The Project delivers State of Good Repair benefits in two ways. First, to the degree that trucks are removed from the road as shipments are now able to take rail, there is reduced wear and tear on highways and road. This is a boon to the taxpayers that support road maintenance with their taxes.

Second, the Project repurposes an obsolete piece of infrastructure from the 20th century for a 21st century economic need. 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.

By returning the spur to a state of good repair and putting it back into use, rather than building in a new place, the project preserves land for higher valued uses while providing filling a “gap” in the region’s infrastructure by providing air/rail/truck transload capability.

Technology and Resilience

The City of Albuquerque has been recognized for its progressive implementation of Smart Cities technology, including being named a winner in the IDC Government Insights’ fifth annual Smart Cities North America Awards (SCNAA); the City is also listed among U.S. Ignite’s Smart Gigabit Communities, indicating the City has made significant commitment toward leveraging next-generation smart city and internet technologies. The City’s has designated several test beds for innovation, including the Sunport, where smart technologies are imbedded in sensors, cameras and lighting. As described in the Project Description, the Project will include broadband, lidar, cameras and sound sensor technology for security and safety applications. Of note, the camera and sound sensor technologies will be integrated into the existing “security ecosystem” of the Sunport to facilitate interoperability throughout the multimodal hub.

In addition, the Project’s design will use materials that are resistant to high heat, in recognition of the region’s changing climate.

Project Implementation and Management

Applicant Capacity Review

The Sunport, which is owned and operated by the City of Albuquerque, has the ability to deliver this capital project.

Roles and Responsibilities. The Sunport staff will manage the construction and administer the grant. The City is currently managing a multi-million-dollar renovation of the Sunport and regularly plans, designs and delivers large complex infrastructure projects. It has the technical capacity to oversee the rehabilitation of spur. The City has dedicated staff who are experienced at managing federal grants. In addition, the City has hired an engineering firm with experience designing freight rail projects, and with experience developing projects to BNSF’s standards (as that is the railroad that the facility will interchange with). These staff have developed the project plans and reviewed the cost estimate. Short bios of the Sunport Spur Project Lead, the Grants Lead, and a senior rail engineer hired by the Sunport to advise and support oversight are provided below.

Federal Funding. The Sunport regularly receives millions federal funding and successfully manages these funds in compliance with federal regulations. The Sunport is currently refurbishing the terminal with a focus on upgrading critical infrastructure, including plumbing, mechanical, and electrical systems, along with a significant "reimagining" of the food, beverage,



and retail areas. The \$85 million project began in 2023 and will be substantially complete later this year, with additional passenger features added in 2027.

Role	Name	Short Bio
Sunport Spur Project Lead	Lisa Abeya	Ms. Lisa Abeya is Acting Deputy Director of Aviation at the City of Albuquerque overseeing the work within Information Technology, Design and Construction, Commercial Development, Contracts and Innovation. She previously served the City of Albuquerque as Deputy Director of Economic Development. Prior to her role in city government, Lisa founded and led for 11 years a Smart Cities GovTech startup that helped cities and government agencies leapfrog innovation barriers through a proprietary platform that was venture-capital backed as well as providing expertise in artificial intelligence, blockchain solutions and data-integrated technologies.
Grants Lead	John Stephens	John P. Stephens is a senior aviation professional with the City of Albuquerque. He has been with the department for over seven years, and currently serves as Aviation Revenue & Finance Officer where he oversees financial operations and revenue management for the airport's aviation programs. He is frequently involved with departmental capital initiatives such as the Sunport Boulevard pavement rehabilitation project, which received a \$3.656 million FAA grant to improve terminal access road conditions. He has been part of the project team for the Sunport Spur Project.
Rail Engineering	Nelson Wienke, PE	The Sunport has engaged a rail engineering team to support the implementation of the rail spur project. Nelson is a licensed professional engineer with over 11 years of experience. He has experience with project design engineering, hydraulics and hydrological analysis, and plans production on a range of freight rail, transportation, and civil site projects. Nelson leads civil and geometric designs of industry terminals, rail yards, and siding projects.

Federal Regulations. Key aspects of the Sunport's compliance with federal regulations include: FAA Grant Assurances, Title VI Plan, and compliance with 14 CFR Part 139 for airport operating certificates and ensure compliance with security directives from the TSA. The Project is 100% BABA compliant.

Project Planning

The Project will be in the TIP/STIP later this year. The Project team anticipates that the NEPA class of action will be a CE, subject to FRA and/or FAA determination. The team is ready to advance NEPA and the design work. Significant coordination work has been undertaken.

Public and Agency Involvement Process

Sunport staff have been working for nearly five years to create the project plans, acquire the necessary rail easements, purchase surrounding property, and negotiate the operating agreements



to develop the project to its current state. Over this time, the Sunport has provided regular updates on the Project's progress to local government partners and the local community. Key public sector partners include state economic development and transportation agencies, as well as the Bernalillo Sunport South Business Park Public Improvement District and the county economic development department. Project information has been shared with the public through a variety of ways that include presentations to community and industry groups, press releases, as well as online accounts on Instagram and X. This Project has the potential to be transformative for Albuquerque, with the result that these online updates and press releases are frequently picked up by local news organizations, benefiting those who may lack access to online media, and providing widespread awareness of the planned project⁵.

Private Industry Support

Community support for the Project is favorable. No opposition has been expressed to date. Rather, the Project is beginning to gain momentum and is sufficiently well-regarded that a private business is helping to finance the Project. In December 2025, New Mexico Transloading (NMT), a private rail operator, made a \$1.4 million private loan to the spur (green segment in Figure 1 in the Project Definition) to activate the line. The amount was enough to permit limited operations but not enough to bring the segment into a full state of good repair. The Sunport will pay the loan back by crediting NMT the fee per car for using the spur until the loan is repaid. At that time, NMT will start to pay the Sunport for use of the spur, providing a revenue stream to the Sunport that will grow with usage of the spur. NMT will be the rail operator of the full spur once operational. Cargos include imports of plastics, fracking sand, steel coils, and fuels.

Risks and Mitigation

The City is always evaluating strategies to reduce project risks. Close communication with project partners has informed the development of the Project. Moreover, NMT's recent construction work has helped to reduce the risk of "surprises" along the spur during construction.

The Project Team has included a budget contingency of 10 percent (of all construction) and identified conservative budget estimates that will greatly reduce the likelihood of the Project encountering cost overruns. The Project schedule also has reasonable, built-in buffers that comply with all requirements for obligation and expenditure of funds as outlined within the grant program requirements.

Communications Among Project Team

The City has been working closely with NMT on the development of this grant and will collaborate on grant administration activities for the proposed Project. The Project partners already maintain a schedule for regular communication among Project participants, providing updates and proactive strategy development. The Project partners will coordinate regular contractor meetings and team reviews of appropriate deliverables while using the latest electronic project management sharing programs.

⁵ News clip image sourced from [Sunport activates rail spur to increase economic growth in Albuquerque](#).

