

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.

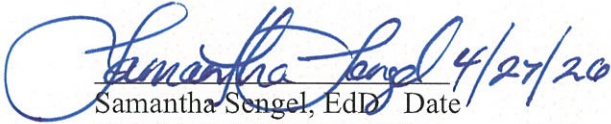
The total estimated project cost is \$20,066,200, with an 80/20 cost share between federal and City funding. The federal share is anticipated at \$16,052,960, while the City's required match is \$4,013,240. The City's portion will be funded through existing appropriations within the Department's capital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

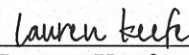
This project serves as a critical enabling investment that positions the Department for future revenue-generating opportunities and supports the planned development of a multimodal transportation facility.

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:

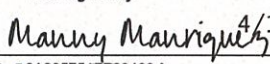
Approved as to Legal Form:

  
Samantha Sengel, EDD Date  
Chief Administrative Officer

DocuSigned by:  
 4/22/2026 | 10:24 AM MDT  
Lauren Keefe Date  
City Attorney

Recommended:

DS  


DocuSigned by:  
 4/16/2026 | 10:19 PM MDT  
Manny Manriquez Date  
Acting 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 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.

**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 Better Utilizing Investments to Leverage Development (BUILD) grant 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:

	2026	Fiscal Years 2027	2028	Total
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses				-
Property				-
Indirect Costs	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<input type="checkbox"/> Estimated revenues not affected				
<input checked="" type="checkbox"/> 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				-
<b>Total Revenue</b>	<b>\$ 20,066,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,066,200</b>

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:

DocuSigned by:

DocuSigned by:

*John Stephens* 4/16/2026 | 5:58 PM MDT

*Manny Marrigues* 4/16/2026 | 10:19 PM MDT

FISCAL ANALYST

DIRECTOR

REVIEWED BY:

Signed by:

Signed by:

*Mahvand Biazar* 4/22/2026 | 9:45 AM MDT

*Donna Sandovat* 4/22/2026 | 10:22 AM MDT

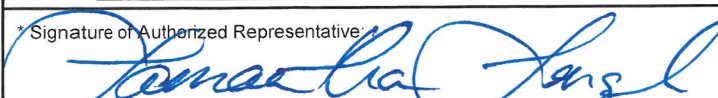
*Austine Bolner* 4/22/2026 | 10:23 AM MDT

EXECUTIVE BUDGET ANALYST

BUDGET OFFICER

CITY PERSONALIST

<b>Application for Federal Assistance SF-424</b>		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input style="width: 100%;" type="text"/> * Other (Specify): <input style="width: 100%;" type="text"/>
* 3. Date Received: <input style="width: 100%;" type="text" value="02/24/2026"/>	4. Applicant Identifier: <input style="width: 100%;" type="text"/>	
5a. Federal Entity Identifier: <input style="width: 100%;" type="text"/>	5b. Federal Award Identifier: <input style="width: 100%;" type="text"/>	
<b>State Use Only:</b>		
6. Date Received by State: <input style="width: 100%;" type="text"/>	7. State Application Identifier: <input style="width: 100%;" type="text"/>	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: <input style="width: 100%;" type="text" value="City of Albuquerque Aviation Department"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input style="width: 100%;" type="text" value="85-60000102"/>	* c. UEI: <input style="width: 100%;" type="text" value="FW5NSYKMF EK4"/>	
<b>d. Address:</b>		
* Street1: <input style="width: 100%;" type="text" value="2200 Sunport Blvd"/>	Street2: <input style="width: 100%;" type="text"/>	
* City: <input style="width: 100%;" type="text" value="Albuquerque"/>	County/Parish: <input style="width: 100%;" type="text"/>	
* State: <input style="width: 100%;" type="text" value="NM: New Mexico"/>	Province: <input style="width: 100%;" type="text"/>	
* Country: <input style="width: 100%;" type="text" value="USA: UNITED STATES"/>	* Zip / Postal Code: <input style="width: 100%;" type="text" value="87106-3235"/>	
<b>e. Organizational Unit:</b>		
Department Name: <input style="width: 100%;" type="text" value="Aviation Department"/>	Division Name: <input style="width: 100%;" type="text" value="Commercial Development"/>	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: <input style="width: 100%;" type="text"/>	* First Name: <input style="width: 100%;" type="text" value="Lisa"/>	
Middle Name: <input style="width: 100%;" type="text"/>		
* Last Name: <input style="width: 100%;" type="text" value="Abeyta"/>		
Suffix: <input style="width: 100%;" type="text"/>		
Title: <input style="width: 100%;" type="text" value="Associate Deputy Director"/>		
Organizational Affiliation: <input style="width: 100%;" type="text"/>		
* Telephone Number: <input style="width: 100%;" type="text" value="505-377-0339"/>	Fax Number: <input style="width: 100%;" type="text"/>	
* Email: <input style="width: 100%;" type="text" value="lrabeyta@cabq.gov"/>		

<b>Application for Federal Assistance SF-424</b>	
<b>16. Congressional Districts Of:</b>	
* a. Applicant: <input type="text" value="1"/>	* b. Program/Project: <input type="text" value="1"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
<b>17. Proposed Project:</b>	
* a. Start Date: <input type="text" value="08/01/2026"/>	* b. End Date: <input type="text" value="06/30/2028"/>
<b>18. Estimated Funding (\$):</b>	
* a. Federal	<input type="text" value="16,052,960.00"/>
* b. Applicant	<input type="text" value="4,013,240.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="20,066,200.00"/>
<b>* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b>	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> . <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
<b>* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)</b>	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
<b>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)</b> <input checked="" type="checkbox"/> ** I AGREE <small>** 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.</small>	
<b>Authorized Representative:</b>	
Prefix: <input type="text"/>	* First Name: <input type="text" value="Samantha"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Sengel"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Chief Administrative Officer"/>	
* Telephone Number: <input type="text" value="505-768-3000"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="ssengel@cabq.gov"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="02/24/2026"/>

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





# 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

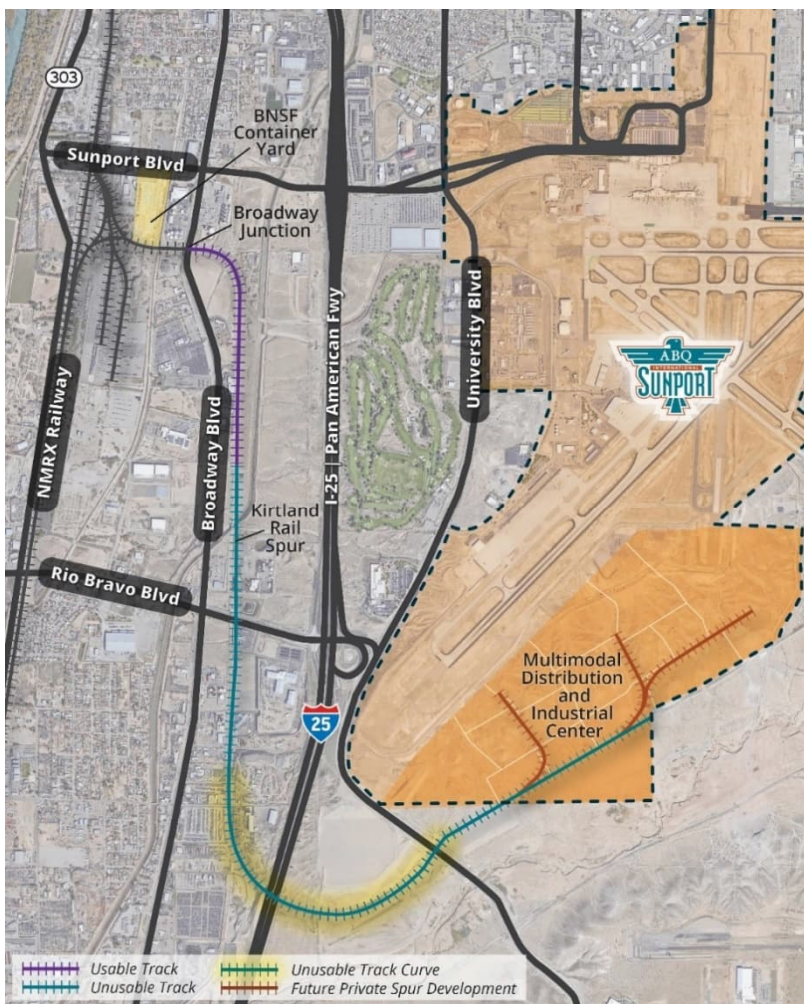


Figure 1 The Sunport Rail Spur Project Area

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



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:



- 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 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



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.<sup>1</sup>

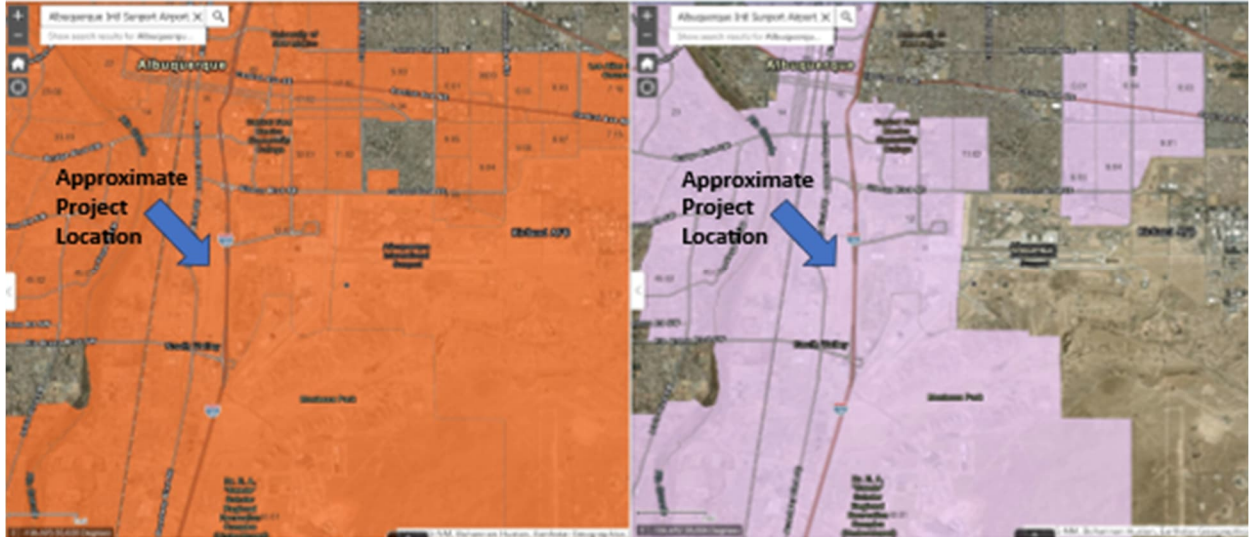


Figure 2 The Project is in an Area of Persistent Poverty (orange) and Historic Disadvantage (lavender)

### 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

<sup>1</sup> See report on graduation rates at [https://www.nmlegis.gov/Entity/LFC/Documents/Program\\_Evaluation\\_Reports/Progress%20Report-%20High%20School%20Graduation%20Final.pdf](https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Progress%20Report-%20High%20School%20Graduation%20Final.pdf)



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

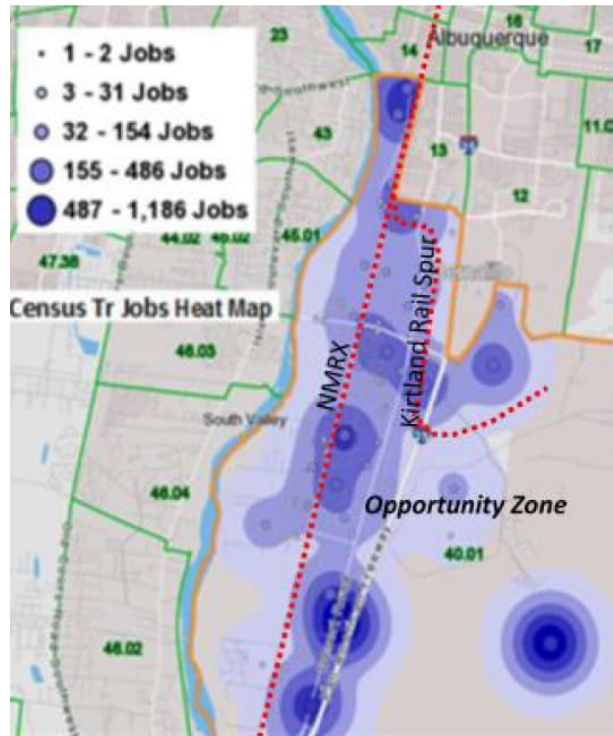


Figure 4 Employment in the Vicinity of the Project Area

### Project History

The Project repurposes obsolete 20<sup>th</sup> Century infrastructure for the developing 21<sup>st</sup> 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.