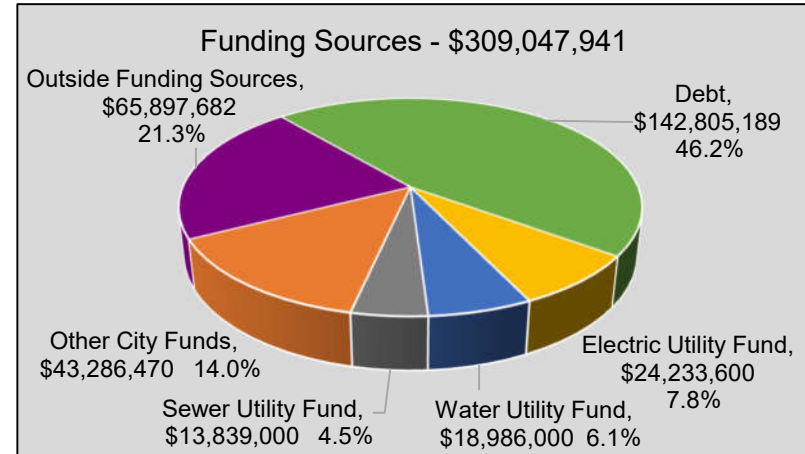
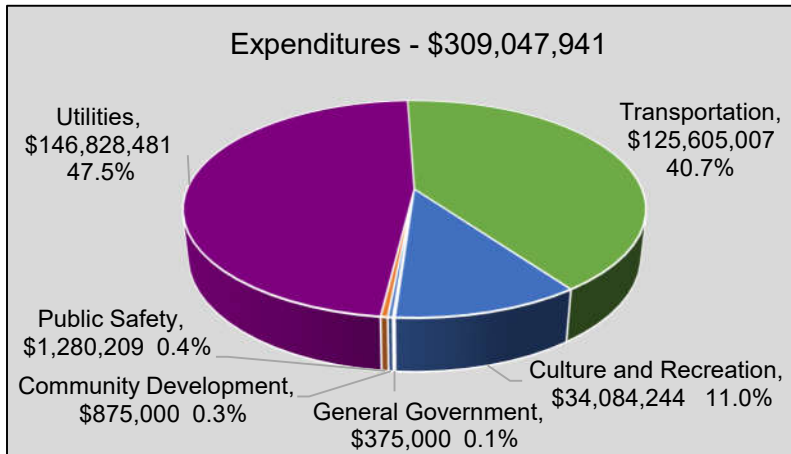




January 17, 2023

Mayor and Ames City Council Members:

Attached for your review and approval is the recommended Capital Improvements Plan (CIP) for fiscal years 2023/24 through 2027/28. This five-year plan includes expenditures totaling \$309,047,941 for physical improvements related to land, buildings, public infrastructure, and major equipment/vehicles. Revenues to support these improvements will come from property taxes, Local Option Sales Tax, Road Use Tax, private donations, program user fees, state and federal grants, and various utility customer rate payments.



Each year, I lament the unique challenges we faced in preparing the CIP, whether caused by a derecho, extreme wet/dry conditions, a pandemic, State mandates, or some other unforeseen condition. Unfortunately, this year is no exception, as we are confronted with increasing costs due to a shortage of skilled labor, prolonged supply chain issues, and rising interest rates, all of which impact the cost of our CIP projects.

In order to respond to these latest challenges and ensure a financially viable plan, you will notice a common theme in this recommended CIP. Some projects reflected in previous CIPs have been eliminated from the Plan, while others have been delayed in order to adjust for the increased costs of higher-priority projects.

To assist you in better understanding the attached CIP, I am providing below major highlights of the projects reflected in this document.

## **Public Safety – \$1,280,209**

### **Fire - \$1,280,209**

Our **Fire Apparatus Replacement** program (page 9) continues our commitment to upgrading our emergency response vehicles in the Fire Department for front-line and reserve apparatus. During the previous five-year plan, we were able to replace our front-line ladder truck, refurbish the old unit to provide the City with a backup ladder apparatus for the first time, and purchase a new front-line fire engine. This new CIP calls for our other front-line engine to be replaced and, because this older unit is in relatively good condition, retain it as a reserve unit (**Fire Apparatus Replacement** page 8).

In 2008, the Fire Department installed an automated system at all three fire stations to alert and dispatch fire personnel, apparatus, and Mary Greeley ambulances to emergency incidents. This fourteen-year-old technology will be replaced in the **Fire Station Alerting System Replacement** project (page 10).

## **Utilities - \$146,828,481**

### **Electric Utility - \$24,905,000**

In conjunction with the City Council's carbon reduction goal, this plan finances **Electric Vehicle Infrastructure** improvements (page 16) by adding five Level 3 fast chargers and ten Level 2 chargers over the life of the plan. Level 2 units provide 25 miles of range per hour of charging, while Level 3 units charge a vehicle to 80% capacity in approximately 20-30 minutes.

Converting electric meters to an **Advanced Metering Infrastructure** system (page 15) will facilitate load management, real-time feeder and transformer monitoring, outage identifications, remote disconnection, and time-of-day rate setting to promote cheaper off-peak usage.

This CIP also focuses on improvements to our transmission, distribution, and power production systems. The **69kV Transmission Reconstruction** project (page 17) will replace approximately 11 miles of deteriorated transmission lines, assuring a more reliable connection to outside energy sources when financially attractive or emergency conditions require it.

The distribution system will be bolstered with upgrades to relays, switchgear, breakers, and transformers at the **Mortensen** (page 18), **Dayton** (page 22), **Vet Med** (page 23), and **Haber** (page 24) substations. Many of these projects are being delayed due to longer than expected lead times to deliver materials and an attempt to adjust for increases in the cost of other higher-priority projects.

The five-year plan reflects a significant investment in our power production capabilities. In response to lessons learned from the 2020 Derecho, the **Critical Electric System Generators** (page 29) calls for a more robust backup system to be installed with a new diesel generator to support the ongoing operations of critical systems at the Power Plant during blackout conditions.

Our two combustion turbines, which provide the required system capacity and peaking capabilities, will receive upgrades through several projects; **Inlet Heating** (page 26), **Generation Improvements** (page 28), and **Turbine/Generator Major Overhaul** (page 37).

We will continue our commitment to upgrading our Power Plant to ensure the capability to burn Refuse Derived Fuel from the Resource Recovery Plant, to produce energy when financially prudent to do so as compared to buying off the grid, and to produce energy when emergencies limits this as the City's sole option for providing customers with electricity. These projects include; **Load Centers and Breaker Replacement** (page 25), **Relay/Control Replacement** (page 30), **Unit 7 Exciter and Cooling Water System** (page 34), **Unit 8 Tube Corrosion Injection** (page 36), and **Turbine/Generator Minor Overhauls** (page 32).

Given recent events that have been affecting the country, the **Substation Security** project (page 20) is being introduced in this CIP. During FY 2022/23 a plan will be developed to reduce the vulnerability of this critical infrastructure with the intent to install the security improvements in FY 2023/24.

It should be emphasized that a few projects are included in this CIP that may require revision pending a final decision by the City Council regarding a new Waste-to-Energy System. These projects include; **Unit 8 Turbine Corrosion Injection** (page 36), **Unit 5 & 6 Boiler Removal** (page 33), **Coal Yard Reclamation** (page 41), **RDF Bin Renovation** (page 38), and **RDF Weigh System** (page 35).

## **Water Utility - \$29,277,000**

Due to project cost increases, you will notice that five projects have been delayed. These delays will allow us to stay within the rate increases the staff projected last year for the Water Utility.

Maintaining the security of our water system remains a high priority. The **Physical and Cyber Security Improvements** (page 44) will allow the City to add access controls, cameras, and lighting to our treatment plant, wells, and towers.

By FY 2024/25, the staff hopes to substantially complete the conversion to **Advanced Metering Infrastructure** (page 45) for water customers. The new system of meters will allow for drive-by readings and can be upgraded to provide more detailed data collection and remote readings.

To verify that we are protecting the valuable resource that recharges our aquifer during low flow periods in the South Skunk River, the **Ada Hayden Water Quality Study** (page 46) will allow staff to monitor the lake on a five-year cycle. This study will confirm the effectiveness of existing land practices in preserving the lake's water quality.

One of the most significant project cost increases in the Water Utility is the **Prairie View Industrial Center Elevated Tank** (page 48), which has grown from \$6,200,000 to \$10,226,000 due to the doubling of steel prices over the past two years. This project will remain on hold until the growth along the East Lincoln Way industrial area warrants the project moving forward.

In the fifth year of the CIP, a new **Five Million Gallon Reservoir** (page 51) has been introduced to accommodate projected growth. This project will complement other CIP projects to upsize the water mains on East 13<sup>th</sup> Street and add pumping capacity to our system.

Funding from the American Rescue Plan Act will pay for the **Ames Plan 2040 Water Utility Infrastructure** improvements (page 61) to extend a 14-inch water main along Highway 69 south of Ken Maril Road. This project will open development possibilities for the new South Growth Area identified in the recently approved comprehensive plan.

The **Water System Improvements** (page 62) program continues to emphasize the replacement of older water mains in neighborhoods experiencing rusty water and water pressure issues. In this way, water quality and firefighting capabilities will be improved for those residents.

### **Sanitary Sewer Utility - \$77,942,981**

The inclusion of the **Nutrient Reduction Modifications** project (page 53) is a result of the Iowa Department of Natural Resources mandated nutrient reduction strategy, which requires the State's largest municipal wastewater facilities to make facility improvements to significantly reduce specific nutrients from their treatment effluent. This project has been included as a condition of our Water Pollution Control Plant's discharge permit.

Undoubtedly, this project reflects the most dramatic increase in project cost in this CIP. Compared to last year, this project has ballooned from a projected cost of \$41,100,000 to a current estimate of \$77,900,000. The staff has been advised that no one element of the project has caused this huge increase, and instead, overall market conditions have influenced this change in the estimated cost.

The project will now be bid in two phases rather than three as initially planned to reduce costs. The first phase (\$42,900,000) is scheduled to be completed by the end of FY 2025/26. The second phase (\$35,000,000) is planned to be initiated in FY 2035/36. By delaying projects, receiving new connection fees along East Lincoln Way, securing grant funding, and obtaining additional low-interest SRF loans from the State, we currently believe it will be possible to respond to this project cost increase with approximately the same sanitary sewer rate adjustments projected last year.

In addition to improvements at the WPC Plant, the **Watershed-Based Nutrient Reduction** project (page 55) furthers our efforts to improve adjacent watersheds, including in-field conservation practices such as land retirement, constructed wetlands, and buffers/bioreactors. The ancillary benefits derived from this project are flood risk reduction, improved recreational opportunities, and enhanced wildlife habitat. While the overall cost of this project has increased substantially from the prior year's CIP, the City's portion of the funding remains the same. The increased cost is financed with additional grant funding and partnerships with other organizations.

The **Cogeneration System Maintenance** project (page 54) will result in the construction of a new fats, oil, and grease (FOG) receiving station. This larger station will allow us to accept greater amounts of FOG materials from our waste haulers, which will be anaerobically digested at the Water Pollution Control Plant to produce additional on-site electricity to power the plant. Both the diversion of methane-generating organic matter from our solid waste and the generation of electricity for our plant will assist in meeting the goal of our Climate Action Plan to reduce emissions.

The **Ames Plan 2040 Sanitary Sewer Utility Infrastructure** project (page 64) will facilitate the opening of growth areas identified in the Ames Plan 2040. A trunk main will be extended from Mortensen Road along County Line Road to Lincoln Way in the West Growth Area, and the South Growth Area will be served by a new trunk main extending along 265<sup>th</sup> Street.

The City's **Sanitary Sewer System Improvements** program (page 65) continues to receive the necessary funding to rehabilitate existing manholes, reconstruct deficient sanitary sewers, and repair or reline pipes. This work will prevent inflow into the sanitary sewer system reducing peak wet weather flows that cause back-ups and the unnecessary treatment of "clean water."

### **Stormwater Utility - \$12,950,000**

The most recent Citizen Satisfaction Survey continued to emphasize support for improvements to the City's Stormwater Utility. As development occurs throughout the City, more impervious land is being constructed, causing growing concern about the localized flooding that results from the stormwater runoff onto adjacent properties. To respond to this concern, the CIP continues to support such programs as **Stormwater Erosion Control** (page 69), **Low Point Drainage Improvements** (page 70), **Stormwater Improvements** (page 71), **Stormwater Quality** (page 72), and **Stormwater Detention/Retention Maintenance** (page 73).

In accordance with our approved Flood Mitigation Study, the first phase of the **South Skunk River Improvements** project (page 68) was accomplished in FY 2022/23 with the channel improvements at the Duff Avenue bridge. The proposed CIP includes land acquisition for future channel improvements along the river from SE 16<sup>th</sup> Street to East 13<sup>th</sup> Street and improving the river flow under the SE 16<sup>th</sup> Street bridge.

### **Resource Recovery Utility - \$1,753,500**

As we await a final decision regarding a long-range plan to improve our waste-to-energy system, the CIP reflects the funding necessary to sustain the existing system with preventive maintenance, repair, and replacement of rollers, hammers, and conveyers critical to the processing of the material. I expect the **Resource Recovery System Improvements** program (page 75) will be revised once the City Council determines the future direction of this utility.

<b>Transportation - \$125,605,007</b>
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### **Streets/Traffic/Shared Use Paths - \$84,297,000**

Due to the financial challenges previously highlighted, we have accumulated a significant balance of previously issued bond funds due to delays in completing several transportation projects. Therefore, you will notice that we have eliminated funding in FY 2024/25 for **Arterial Street Pavement Improvements** (page 79), **Asphalt Street Pavement Improvements** (page 80), **Concrete Pavement Improvements** (page 81), **Seal Coat Pavement Improvements** (page 83), **Alley Pavement Improvements** (page 86), and **Downtown Street Pavement Improvements** (page 88). This decision to reduce \$10,900,000 of bond funding in that fiscal year will yield two benefits. First, it will give the staff a break from new projects to focus on eliminating the backlog of existing priorities. Second, by reducing the number of new bonds needed to be sold in

FY 2024/25 we are able to mitigate the property tax impact of the bonds scheduled to be issued for the Fitch Family Indoor Aquatic Center. Full funding is being incorporated into the remaining four years of the Plan for these six important programs in response to the high priority they receive from our annual Citizen Satisfaction Survey.

The **South 16<sup>th</sup> Street Roadway Widening** project (page 84) will accomplish the widening to four lanes on South 16<sup>th</sup> Street from University Avenue to Apple Place, along with the addition of a multi-use path along this same corridor. Currently, this three-lane segment of the roadway funnels into four lanes to the east causing traffic backups during major events.

The **Campustown Public Improvements** project (page 85) scheduled for the 200 block of Welch Avenue will complement the work completed in 2020 in the 100 block. This project includes improvements to the roadway, storm sewer, sanitary sewer, and on-street bike path systems.

The **Alley Pavement Improvements** Program (page 86) will result in the reconstruction of our older alleys which have deteriorated over the years. While most of our alleys are located north of the Downtown, this program designates projects in other parts of the city.

In addition to providing a significant portion of the funding for the operations of the CyRide transit system, we also will pay for the **CyRide Route Pavement Improvements** program (page 89) to restore street sections that have deteriorated due to continuous bus loading.

In keeping with the City Council's goal of funding an average of \$1,200,000 in improvements to our multi-modal systems each year, this CIP includes the **Shared Use Path System Expansion** (page 92), **Multi-Modal Roadway Improvements** (page 93), and **Shared Use Path Maintenance** (page 94) programs. These programs, along with multi-modal improvements included in planned street projects, reflect total expenditures of \$6,703,200, or an average of \$1,340,640 per year.

While most street improvements are financed with G.O. Bond proceeds and multi-modal improvements with Local Option Sales Tax revenues, all of our street rehabilitation work is supported by Road Use Tax revenues. Programs such as **Pavement Restoration** (page 103), **US 69 Improvements** (page 104), **Bridge Rehabilitation** (page 105), **Streetscape Enhancements** (page 107) and **Neighborhood Curb Replacement** (page 108) include repairs to these facilities and not the total reconstruction required in the Street Improvements section.

Citizen feedback received in our satisfaction survey indicates a continued desire for us to improve the safe flow of traffic and pedestrians throughout our community. To this end, we have committed to the installation of an **Intelligent Transportation System** (page 96). This new system will provide real-time data, which will optimize traffic and pedestrian flow at signalized intersections.

The **Traffic System Capacity Improvements** program (page 97) will facilitate capacity upgrades at Airport Road and Duff Avenue, 13<sup>th</sup> Street and Grand Avenue, the Lincoln Way Corridor between Grand Avenue and Duff Avenue, and 20<sup>th</sup> Street and Grand Avenue.

The City Council's goal of providing an inclusive city for all of our residents is furthered by the **Accessibility Enhancements** program (page 99), which includes sidewalk, ramp, parking, and traffic signal improvements.

### **Transit - \$21,678,007**

This five-year plan continues the goal of modernizing our bus fleet and reducing our carbon emissions. The **Vehicle Replacement** program (page 110) calls for the purchase of seven battery electric buses, two articulated buses, sixteen forty-foot buses, and five administrative vehicles.

As we focus on meeting our long-range facility needs at the existing site, the **CyRide Facility Improvements** program (page 111) will allow us to satisfy short-term needs such as shop expansion, fire suppression upgrades, and fueling system renovations. In addition, **CyRide Technology Improvements** (page 112), **CyRide Shop and Office Equipment** (page 113), and **Bus Stop Improvements** (page 114) should all help improve the experience of our riders.

It should be noted that of the total expenditures of \$21,678,007 for CyRide projects included in this plan, 72%, or \$15,668,753, will be paid with federal and state grants.

### **Airport - \$19,630,000**

Of the total amount of expenditures earmarked for **Airport Improvements** (page 116) over the next five years at the James Herman Banning Ames Municipal Airport, we plan to secure 86%, or \$16,832,000, from federal and state grants. Projects at this facility include the installation of wildlife fencing, demolition of the vacant terminal building, replacement of the internal road system, restoration of taxiways, and rehabilitation of drainage areas.

<b>Culture and Recreation - \$34,084,244</b>
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### **Parks & Recreation - \$33,786,812**

You will note that seven less projects are recommended in this CIP compared to last year's plan. However, the budget for parks projects remains approximately the same due to rising costs.

The highlight of this section is the **Fitch Family Indoor Aquatic Center** (page 119). Unfortunately, this project is another example where rising cost estimates for the total project now outpace our original estimated revenues. Therefore, the base bid, which includes all aquatics-related amenities, is reflected in the CIP for this project. The walking track and multi-purpose room will be bid as an alternate in the hope that these spaces can be included in the event the bids for the aquatics portion come in less than currently projected.



In an effort to determine how our parks and recreation facilities can better serve our differently-abled residents, we have hired a consultant to complete an assessment and offer recommendations for an **Americans With Disabilities Act (ADA) Transition Plan** (page 123) in FY 2022/23. Therefore, this CIP increases the funding to \$500,000 over the next five years to address improvement priorities.

The increased funding earmarked for **Playground Equipment Improvements** (page 122) will allow us to replace equipment at Bandshell, Stuart Smith, Christofferson, Parkview North, Patio Homes West, North River Valley, Brookside, O'Neil, Franklin, Old Town, Moore Memorial, Emma McCarthy Lee, and Gateway Hills parks over the life of the Plan.

Other improvements in the CIP include the construction of a new bridge on Hole #9 at **Homewood Golf Course** (page 124) to accommodate motorized carts, releveling the sand beneath the ice at the **Ames/ISU Ice Arena** (page 125), repaving paths at **Ada Hayden Heritage Park** (page 126), installing a bridge in **Moore Memorial Park** (page 127) across Ioway Creek to connect with the existing bike path system, and constructing a new shelter/restroom at Carr Park (**Park System/Facility Improvements** – page 121).

#### **Cemetery- \$150,000**

Given that cremation burials continue to surpass traditional burials, three new columbaria will be purchased for the Ames Municipal Cemetery. In addition, new decorative fencing will be installed around the Ontario Cemetery (**Cemetery Improvements** – page 133).

#### **Library - \$147,432**

The Ames Public Library was last renovated and expanded in 2014. Because of the extensive use of this popular facility, we have programmed the **Library Carpet Replacement** project (page 131) into the CIP.

### **Community Development - \$875,000**

This five-year plan supports the City Council's desire to strengthen our residential and commercial neighborhoods. To accomplish this goal, the **Campustown Façade** (page 138) and **Downtown Façade** (page 137) incentive programs will result in permanent physical improvements enhancing the appearance and building usability in these high-priority areas. In addition, the **Neighborhood Improvement** program (page 139) will foster physical improvements in our neighborhoods as well as facilitate interaction among residents.

## General Government - \$375,000

Funding is also included in the CIP for the **City Hall Improvements** program (page 143). Funding in this program will be used for repairs and renovations to City Hall beyond the scope of the Facilities operating budget.

## Projects not yet in the CIP

As in the past, I am highlighting a few projects that will be needed in the future. However, because of the necessity for additional information and other projects that have received a higher priority at this time, they have not yet been included in the CIP. Now that the City Council has committed to move ahead with the Fitch Family Indoor Aquatics Center, three major projects remain on the unprioritized list from the previous year, while two new projects are being added to my list this year.

### Relocation of Fire Station #2

Increased densities in Campustown have become more dangerous for pedestrians when fire trucks enter and leave Fire Station #2 on Welch Avenue. Because of this situation, the City Council should consider the relocation of Fire Station #2. The City staff is currently working with Iowa State University administrators to identify alternative sites on University property along State Avenue to maintain adequate response times to the ISU campus and improve response times to the city's southwest area.

### New Animal Control Facility

Because of inadequate space to 1) provide a healthy environment for the animals, 2) allow the staff to accomplish their work, and 3) accommodate the customers who wish to adopt animals, a new Animal Control facility is needed. City staff is currently working on finalizing construction estimates and learning how similar facilities have been financed.

### New Fourth Fire Station

Now that the Ames Plan 2040 has been adopted, it is time to finalize a Fire Station Location Plan to determine where a fourth fire station should be located to adequately address the response time needs to all four growth area designated in the Plan. City staff is currently modeling response times to identify the optimal site for the fourth station as well as the availability of land for this purpose.

### Development of New West-Side Community Park

With the recent purchase of a site for a new community park along Ontario Street in west Ames, consideration should be given to the cost and timing for the full development of this new park.

Additional Gym Space

Now that the Ames School District has limited our access to only one school gym to supplement the City Hall gym for our recreational programs, it is time to initiate a discussion concerning the possibility of constructing additional indoor gym space.

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I once again want to thank the City's department heads and their staff members for identifying the much-needed capital improvement projects as well as Corey Goodenow, Finance Director; Nancy Masteller, Budget Manager; Deb Schildroth, Assistant City Manager; Brian Phillips, Assistant City Manager; Amanda Polin, Finance Department Secretary; and Courtney Hinders, Printing and Graphics Services Specialist; for the important role they played in developing this five-year Capital Improvements Plan. This year we also need to express our gratitude to three retirees: Bob Kindred, Duane Pitcher, and Doug Houghton, who were called back into service to help us with this task.

Sincerely



Steven L. Schainker  
City Manager