



January 20, 2026

Mayor and Ames City Council:

Attached is the City Manager's Recommended Capital Improvements Plan (CIP) for FY 2026/27 through FY 2030/31. This five-year strategic plan reflects expenditures totaling \$431,453,099, which are supported by the various funding sources highlighted below.

<b>Expenditures:</b>		<b>Funding Sources:</b>	
Public Safety	\$13,139,245	General Obligation Bonds	\$81,273,251
Utilities	264,509,155	Abated General Obligation Bonds	15,117,620
Transportation	144,096,759	Enterprise Debt (revenue bonds/SRF loans)	155,379,500
Culture and Recreation	8,392,940	Council Priorities Capital Fund	57,500
Community Development	875,000	Local Option Sales Tax	11,424,940
General Government	440,000	Road Use Tax	9,080,844
		Electric Utility Fund	37,480,885
		Water Utility Fund	20,579,000
		Sanitary Sewer Utility Fund	19,694,000
		Stormwater Utility Fund	9,090,000
		Resource Recovery Utility Fund	965,000
		Transit Capital Reserve Fund	6,268,795
		Airport Improvement Fund	454,166
		Park and Recreation Donation Funds	1,143,000
		Ice Arena Capital Reserve Fund	120,000
		Homewood Golf Course Fund	300,000
		Outside Funding (ISU, grants, donations, developer funds)	63,024,598
<b>Total</b>	<b>\$431,453,099</b>	<b>Total</b>	<b>\$431,453,099</b>

The CIP reflects the financing, location, and timing of permanent structural changes to City property or assets to prolong the asset's life, increase its value, or enhance its capabilities. Many of the projects included in the CIP are needed to renovate our deteriorating infrastructure, accommodate growth within our city with new or expanded infrastructure, or achieve a City Council goal.

To help better understand the major projects in the attached CIP, I am providing the following summary.

## Public Safety – \$13,139,245

### **Fire Safety - \$13,139,245**

The highlight of Fire Safety is the **Fire Station #2 Relocation** project (\$9,866,403, page 37) to move Fire Station 2 from Welch Avenue to State Avenue. This relocated station will not only improve pedestrian safety in the Campustown Business District, but its new location will also enhance response times to the ever-expanding city boundaries.

The CIP includes the replacement/refurbishment of our fire apparatus, which are at the end of their operational lives. The **Fire Apparatus Replacement Program/Fire Engine #2** project (\$1,144,302, page 38) will replace this frontline apparatus, purchased in 2010, and refurbish the existing unit to replace a unit purchased in 1996 as a reserve pumper. In addition, the **Fire Apparatus Replacement Program/Fire Engine #4** project (\$1,331,544, page 39) anticipates the addition of a fourth frontline unit if, or when, a fourth fire station is constructed in the future as the city expands its boundaries in accordance with our Ames 2040 Comprehensive Plan.

Finally, to ensure compliance with Occupational Safety and Health Administration (OSHA) respiratory protection safety regulations, the **Self-Contained Breathing Apparatus** project (\$796,996, page 40) will continue to protect our firefighters as they enter hazardous environments.

## Utilities – \$264,509,155

**The long-range plan for our City utilities is grounded in three overriding principles: providing service reliability, mitigating customer cost, and promoting environmental sustainability.**

### **Electric Utility - \$173,163,535**

This five-year plan devotes \$20,625,000 to transmission improvements, \$13,663,535 to distribution improvements, \$138,575,000 to electric production infrastructure improvements, as well as \$300,000 for additional electric vehicle charging stations.

Of particular note are several significant initiatives. The costliest project reflected in this utility is the **New Thermal Generation** project (page 58) where three new Reciprocating Internal Combustion Engine (RICE) generating units will be constructed at the existing Coal Yard. This project represents an estimated total investment of \$84,000,000, of which \$79,000,000 will be expended during this five-year plan. This investment is necessary to replace Unit #7 in the Power Plant with its 35-megawatt capacity. This unit started producing electricity in 1967 and is no longer capable of providing the efficiency and reliability required for today's environment. The new generating units will replace the capacity lost from the decommissioning of Unit #7, as well as provide additional capacity to cover anticipated growth in our electric demand.

The **Prairie View to Ames Plant 161 kV Line** project (\$4,400,000, page 50) and **Boone Junction 161 kV Line Improvements** project (\$1,725,000, page 51) will enhance electric grid reliability with increased transmission interconnections. These projects will improve system reliability by providing additional contingency sources to our community in the event of concurrent transmission line losses, which is a required MISO contingency planning condition. This improvement is especially critical following the lessons learned from the 2020 Derecho.

The **69 kV Transmission Reconstruction** project (page 48) has experienced a significant cost increase from \$8,450,000 to \$13,250,000 due to updated labor and materials costs. This multi-year project will reconstruct approximately eleven miles of deteriorated 69 kV transmission line over five years, improving both capacity and reliability for our customers.

Several distribution substation projects will enhance reliability and safety as well. The **Ontario Substation 69 kV Breaker Addition** (\$4,168,535, page 52), **Mortensen Road Substation 69 kV Transformer Protection** (\$6,950,000, page 53), and **Dayton Avenue Substation Switchgear Upgrades** (\$2,100,000, page 56) all include the addition of breakers, replacement of obsolete equipment, and installation of modern microprocessor-based relays consistent with electric utility industry best practices.

The **161 kV Line Relocation** project (page 49) is required by the Iowa Department of Transportation's I-35 improvement project north of Ankeny. Electric Services will redesign the line, negotiate easements, purchase materials, and hire a contractor, with 100% of the \$1,500,000 cost to be reimbursed by Iowa DOT.

The **New Renewable Energy** project (\$50,000,000, page 67) has been delayed as the current federal administration has made substantial reductions to renewable energy incentives, raising costs by more than 30%. Staff is hopeful that incentives will return in the future and will, therefore, continue to explore options to develop wind and solar projects to increase the utility's renewable energy portfolio.

The **Electric Vehicle Infrastructure** program (\$300,000, page 47) continues the installation of two new Level 2 charging stations in each of the first three years of the CIP. However, staff anticipates FY 2028/29 will be the last year Electric Services provides significant funding for EV charging, as the infrastructure available throughout the city is expected to continue to be built by local businesses and private developers.

Finally, the **Coal Yard Reclamation** project (page 59) has been advanced and increased in scope based on recommendations from the engineering firm designing the new thermal generation system. This project will demolish more buildings and structures than originally anticipated to prepare the site for new generation equipment. As a result, the project cost has increased to \$4,000,000.

### **Water Utility - \$32,368,000**

**The focus in the Water Utility is on renewal and replacement of critical infrastructure, as well as on security upgrades where possible by taking advantage of new projects.**

The **Prairie View Industrial Center Elevated Tank** (\$11,849,000, page 72) is the most significant project anticipated in the Water Utility for the next five years. Due to the slower than expected development in this area, the project is being delayed. However, the schedule can be adjusted if the pace of development increases.

Work involving **Lime Lagoon Improvements** (\$100,000, page 73) will continue. These modifications will improve the dewatering of the lime sludge before it is hauled off. Because the hauling is bid on a “wet ton” basis, the more effective we are at dewatering, the more savings will be realized by the Water Utility.

**New Pumps and Drives** (\$1,474,000, page 74) will add capacity at the high service pump station and redundancy in the event of a natural disaster or other emergency.

The **Physical and Cyber Security Improvements** (\$202,000, page 76) will help us maintain the security of our water system as a high priority.

The design of new **Five Million Gallon Storage Reservoir** (\$423,000, page 78) is being introduced in the final year of the CIP. This project represents an additional element needed to meet the projected increase in customer demand for water.

The **Water System Improvements** program (\$14,650,000, page 88) will continue to replace water mains in our older neighborhoods that are experiencing rusty water, low pressure, frequent breaks, and poor circulation thereby improving service to our customers.

#### **Sanitary Sewer Utility – \$31,715,000**

The first year of the CIP marks the completion of Phase 1 of the **Nutrient Reduction Modifications** project (page 80) which totals \$62,517,000 over the three-year period from FY 2024/25 through FY 2026/27. This project will result in drastic alterations to our Water Pollution Control facility to accomplish biological nutrient removal to meet State mandated targets. Phase 2 of this project, which is estimated to cost \$70,000,000, is not expected until 2035.

In addition to the WPC Plant project highlighted above, the **Watershed-Based Nutrient Reduction** program (\$2,125,000, page 82) will further these efforts by pursuing conservation practices such as cover crops, land retirement, and prairie restoration as well as Edge of Field conservation practices such as buffers, bioreactors, and constructed wetlands.

The **Lift Station Improvements** program (\$726,000, page 84) will replace aging pumps and valves, manhole hatches, and controls at the Freel Drive lift station in FY 2026/27. The funding in FY 2028/29 will remove the Northwood lift station and replace it with a gravity sewer, which will eliminate electricity costs.

A key component of the **Cogeneration System Maintenance** project (\$5,071,000, page 81) is the construction of a Fats, Oils, & Grease (FOG) receiving station at the WPC Plant. Increasing the capacity to accept FOG wastes will allow us to produce more on-site electricity by taking advantage of additional methane production resulting in a corresponding reduction in the purchase of outside electricity to operate the Plant.

The **Sanitary Sewer System Improvements** program (\$12,500,000, page 91) will result in a reduction in infiltration/inflow into our system, thereby extending the life of the WPC Plant, protecting the capacity of the facility, and decreasing the operating costs by not having to treat clean water passing through our Plant. Projects will include replacing deteriorated mains, repairing manholes, sealing joints, and lining pipes.

### **Stormwater Utility - \$8,840,000**

The 2025 Citizen Satisfaction Survey once again indicates that our residents place a high priority on funding stormwater projects to mitigate the impact on private property of increased overland flooding resulting from the expanding amount of impervious surfaces in the community. To this end, the CIP includes the following four programs to protect adjacent public infrastructure and private property: the **Stormwater Erosion Control** program (\$3,520,000, page 94) which stabilizes drainage ways, the **Stormwater Sewer Improvements** program (\$3,060,000, page 95) which repairs and replaces failed pipes and intakes, the **Low Point Drainage Improvements** program (\$850,000, page 96) which installs new systems to eliminate drainage issues, and the **Stormwater Detention/Retention Maintenance** program (\$910,000, page 97) which cleans and maintains regional retention facilities to improve their effectiveness.

To protect the quality of our waterways, the **Stormwater Quality Improvements** program (\$500,000, page 98) will employ retrofit practices such as bioretention cells, vegetated swales, water-quality inlets, sediment forebays and native landscaping.

### **Resource Recovery Utility - \$18,422,620**

As you know, it is our intention to move away from our 50-year-old practice of burning solid waste in the Power Plant boilers. More restrictive federal and state regulations, along with the changing economics for our Resource Recovery and Electric utilities, are forcing a change to what was previously recognized as a leading-edge way to address the disposal of solid waste. The goals for our new strategy are to reduce the amount of garbage that will be deposited in a landfill as well as to decrease carbon emissions from burning less gas in the boilers.

To accomplish this new waste disposal model, the **Resource Recovery and Recycling Campus** project (page 100, with \$15,117,620 scheduled in FY 2026/27, along with \$6,889,110 included in FY 2025/26, for a total estimated cost of \$22,006,730) was introduced in last year's CIP. The success of this new approach to solid waste disposal will depend, in part, on the implementation of this new curbside recycling service that will be supported by the construction of a new transfer station campus.

A companion project is **Resource Recovery and Recycling Campus Mobile Equipment** (\$2,340,000, page 101) which will provide the funding to purchase the tractors, trucks, and trailers needed for the campus.

Since the new transfer station will not be in operation until 2027, the **Resource Recovery System Improvements** program (\$965,000, page 102) will allocate \$465,000 in FY 2026/27 to maintain the existing facility. The \$125,000 allocated annually in FY 2027/28 through FY 2030/31 will be used for necessary maintenance and upgrades at the new campus.

## Transportation – \$144,096,759

### **Streets and Traffic - \$91,263,600**

In keeping with the input received from our annual Resident Satisfaction Survey, this plan continues to incorporate a significant investment in improvements to our street and traffic control systems.

Over the five-year life of the CIP \$61,835,000 in General Obligation Bond and grant funding has been earmarked for **Asphalt Street Pavement Improvements** (\$17,240,000, page 107), **Arterial Street Pavement** Improvements (\$13,575,000, page 108), **CyRide Route Pavement Improvements** (\$9,925,000, page 109), **Concrete Pavement Improvements** (\$8,125,000, page 110), **Seal Coat Pavement Improvements** (\$7,570,000, page 111), and **Collector Street Pavement Improvements** (\$5,400,000, page 112),

One new street project inserted in the first year of the CIP is the **Freel Drive Paving** project (\$975,000, page 113). This project is necessary to adequately accommodate the heavy truck loads that will be entering our new Resource Recovery and Recycling Campus. It is our intention to pave the current asphalt surface from south of Lincoln Way to Southeast Fifth Street in FY 2026/27.

In addition, \$2,540,000 in Road Use Tax funds are scheduled to be used for restoring our street systems with the **Pavement Restoration** program (\$1,500,000, page 129), the **Neighborhood Curb Replacement** program (\$750,000, page 130), and the **Streetscape Enhancements** program (\$290,000, page 131).

A significant project reflected in the fourth year of the CIP is the **Lincoln Way Bridge Replacement** (\$5,500,000, page 132). While safe today, City staff will continue to inspect the bridge to determine if the replacement project should be accelerated or delayed, depending on the results of the inspections. Funding is also included in the third year of the CIP to begin engineering for the project.

In addition to the structural improvements to our street system, an emphasis is being made in the CIP to improve the safety and timeliness of traffic flow throughout our community. To accomplish this goal, the following projects have been included in the Plan: the **Traffic System Capacity** program (\$3,170,000, page 123) will lead to intersection improvements at various locations throughout the City, the **Traffic Signal** program (\$2,725,000, page 124) will result in replacing older signals at eight locations, and the **Accessibility Enhancement** program (\$1,000,000, page 125) will involve the replacement of sidewalk intersection crosswalk and ADA ramps where needed.

The first year of the CIP marks the final phase of the much-anticipated **Intelligent Transportation System** program (\$388,600, page 127). This system will conduct real-time optimization of traffic and pedestrian flow at our arterial intersections. This adaptive traffic system will provide a significant improvement in efficient vehicle flow as well as more reliable travel times throughout the day.

The commitment to enhancing our multi-modal system continues in this CIP with a total of \$9,195,000 earmarked for this purpose. This total is composed of the **Shared Use Path System Expansion** (\$3,650,000, page 119), **Multi-Modal Roadway Improvements** (\$1,620,000, page 120), and **Shared Use Path Maintenance** (\$2,250,000, page 121) programs, as well as \$1,675,000 incorporated in various street and traffic improvement projects. These paths promote an alternate transportation mode as well as much-desired recreational opportunities.

### **Transit - \$23,288,993**

A main emphasis of the Transit CIP is to reduce the average vehicle life of our bus fleet and increase the number of all-electric buses. Towards this end, in the five years of the Plan, the **Cy-Ride Vehicle Replacement and Rehabilitation** program (\$17,750,897, page 134) will provide funding to purchase sixteen new 40-foot diesel buses and four additional all-electric buses. With these four purchases, we will have eleven all-electric vehicles in our bus fleet, moving towards our ultimate goal of seventeen. The **CyRide Facility Improvements** program (\$4,061,096, page 135) is focused on a hoist replacement, a fueling system upgrade, and architecture and engineering services for the needed expansion of the existing facility. **Bus Stop Improvements** (\$570,000, page 136), **CyRide Shop and Office Equipment** (\$457,000, page 137), and **CyRide Technology Improvements** (\$450,000, page 138) also receive attention in this Plan.

It should be noted that, of the \$23,288,993 earmarked for CyRide in the CIP, 73%, or \$17,020,198 will be financed with federal and state grants.

### **Airport - \$29,544,166**

To improve the overall appearance of the James Herman Banning Municipal Airport, the **Airport Entryway Improvements** project (\$1,275,000, page 142) will reconstruct the main entry road, upgrade signage, enhance the entryway landscaping, and expand paved parking areas. The **Airport Airside Improvements** program (\$27,327,500, page 140) will facilitate the total reconstruction and rehabilitation of various runways, taxiways, and aprons. The **Airport Facility Improvements** program (\$941,666, page 141) will construct a new aircraft fuel farm and install a backup generator for the terminal.

Of the total funding of \$29,544,166 devoted to Airport improvements in this five-year plan, 84%, or \$24,930,750, will come from federal and state grants.

### **Culture and Recreation – \$8,392,940**

#### **Parks and Recreation - \$8,317,940**

Along with the promise of physical safety and the existence of reliable utility services, a critical factor that attracts citizens to a city is the extent and quality of the park and recreation systems. Our commitment to these systems continues in this CIP.

New to the CIP is the **Ontario Park Development** project (\$1,300,000, page 147). In FY 2025/26 we will be working on developing a master plan for this new 50-acre community park. Most likely the development of the park will occur in a number of phases. This project anticipates that the first phase will include improvements on the north side of the park including: demolition of existing buildings, construction of a parking lot, installation of a bridge over Clear Creek, and an initial path from the parking lot to the bridge.

**The Park System/Facilities Improvements** program (\$2,169,320, page 148) will address maintenance issues throughout the park system with roof, parking lot, drinking fountain, surface, and lighting repairs. The **Playground Equipment Improvements** program (\$1,458,620, page 149) will fund the replacement of fourteen pieces of equipment in eleven parks over the life of the Plan.

Influenced by the goals of the City's Climate Action Plan, a new project, **Fitch Family Indoor Aquatic Center Solar** (\$700,000, page 150) will install solar panels on the roof of the new facility to help reduce carbon emissions and operating costs.

The **Moore Memorial Park** project (\$400,000, page 151) calls for a pedestrian bridge to be installed over Ioway Creek. The bridge will link the 50 acres of Moore Park on the east side of the creek with the 40 acres of City property west of the creek, which was previously being farmed. The ultimate goal of the project is to construct a path connecting the Moore Park property to the City's bike path system on Ontario Road.

The **Homewood Golf Course** (\$300,000, page 153) receives attention in this CIP with a new project to resurface a portion of the existing parking lot as well as construct additional parking spaces for golf course and clubhouse users.

The **Ames/ISU Ice Arena** project (\$120,000, page 155) project identifies the need for preventive maintenance to overhaul the ice-making system compressors at the facility.

The **Ada Hayden Heritage Park** project (\$1,000,000, page 156) includes two initiatives: the creation of a child-friendly fishing pond in the northwest section of the park, north of the Upland Trail, and total replacement of the main, north parking lot.

Of the total amount earmarked in the CIP to support the park system, 85% (\$7,032,940) will come from non-property tax funds including grants and enterprise user fees.

#### **Cemetery - \$75,000**

The **Cemetery Improvements** program (\$75,000, page 159) will include funding to purchase three additional columbaria for the Ames Municipal Cemetery.

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

The City Council's commitment to strengthening our residential and commercial neighborhoods will continue to be bolstered by the **Downtown Façade** (\$375,000, page 163), the **Campustown Façade** (\$250,000, page 164), and the **Neighborhood Improvement** (\$250,000, page 165) grant programs. To date, funding of approximately \$1,300,000 has been granted through these programs to make physical improvements in our commercial and residential neighborhoods.

### General Government – \$440,000

The **City Hall Improvements** program (\$440,000, page 169) provides funding for ongoing expenditures to maintain this important municipal building, as well to engage in two new architectural studies. The first study will be an evaluation of the exterior doors and options that meet the historical look of the City Hall while improving energy efficiency. The second study will involve an in-depth review of the replacement of the building's HVAC system, which will include measures to meet the goals of the City Climate Action Plan.

### Special Thanks!

As always, I want to thank our Department Heads and staff members, who have identified the projects needed for the next five years that respond to the City Council's stated priorities and to the input provided by our residents regarding the CIP.

In addition, our budget team, comprised of our Finance Director, Corey Goodenow, our Budget Manager, Nancy Masteller, our Budget Analyst, Patti Lehman, our Finance Secretary, Bre Van Sickle, and our two Assistant City Managers, Brian Phillips and Pa Vang Goldbeck, deserve recognition for their work in reviewing the department project recommendations, helping develop long-range revenue and expenditure projections, and coordinating the compilation of the CIP document.

Respectfully submitted,



Steven L. Schainker  
City Manager