

10 Year Capital Improvement Plan (CIP)

Fiscal Years 2027 – 2037

City of Independence, Iowa

Prepared For: City Council Work Session

Subject: 10-Year Strategic Infrastructure & Capital Investment Strategy

1. Executive Summary

This 10-Year Capital Improvement Plan (CIP) represents a coordinated strategic vision for the City of Independence from Fiscal Year 2027 through 2037. The plan addresses critical infrastructure needs that have reached the end of their useful life while positioning the community for future growth.

This plan marks a shift from reactive repairs to **predictable asset management**. By systematically replacing infrastructure before it fails, specifically the \$50M Wastewater Treatment Plant and our heavy fleet, we protect the City's bond rating and ensure intergenerational equity. The upcoming decade is defined by two 'Megaprojects': the mandated **Wastewater Treatment Plant Replacement (\$50M)** and the reconstruction of **1st Street West (\$19.6M)**. These are not merely expenses; they are the baseline investments required to support Independence's residential and industrial growth for the next half-century.

Total Projected Investment (2027-2037): ~\$97.1 Million (Estimated)

Strategic Goals

- **Infrastructure Reliability:** Replacing aging underground utilities and treatment facilities before failure.
- **Public Safety Modernization:** Ensuring Fire and Police departments have adequate facilities and reliable apparatus.
- **Operational Efficiency:** Proactively replacing fleet vehicles to reduce downtime and maintenance costs in the Streets and Utilities departments.
- **Quality of Life:** Enhancing parks, library, and airport assets to retain residents and attract tourism.

2. Financial Overview by Department

We have structured the capital needs by department over the planning period. Utilities (Water/Sewer) comprise the majority of the spending due to the WWTP project. However, the General Fund departments (Police, Fire, Streets) face significant pressure to modernize fleets and facilities.

Funding Strategy

- **GO Bonds:** Utilized for long-life assets like the Fire Station and major Street reconstruction.
- **Enterprise Funds:** Water and Sewer rates will support utility projects and equipment.
- **Grants:** Aggressive pursuit of FAA (Airport), RISE/BUILD (Streets), and SRF (Sewer) funds is assumed.
- **Road Use Tax (RUT):** Will primarily fund the newly integrated Street Department fleet replacement schedule.
- **Hotel/Motel Tax:** Dedicated largely to Quality of Life projects. **Per Iowa Code Chapter 423A.7**, at least **50%** of revenues derived from this tax must be spent on the acquisition, construction, improvement, or maintenance of recreation, convention, cultural, or entertainment facilities. The remaining revenues may be spent on any city operations authorized by law. Our plan leverages the restricted portion for Park amenities and Civic Center improvements, ensuring these community assets are maintained without drawing heavily from property tax levies.

3. Departmental Analysis

A. Fire Department

Primary Focus: Facility Expansion and Apparatus Rotation.

The current station cannot house modern aerial apparatus. We have programmed the Fire Station Expansion/Relocation for FY 2027/2028 (\$6M). This enables the subsequent purchase of Ladder 1 in FY 2032.

B. Police Department

Primary Focus: Vehicle Rotation and Equipment.

We maintain a steady rotation of patrol vehicles to ensure officer safety and minimize maintenance costs on high-mileage units.

C. Streets & Public Works

Primary Focus: 1st Street West, Lovers Lane Replacement, and Fleet Modernization.

While the 1st Street West project is the headline item, with a secondary road project (Lovers Lane) in FY2032, we have incorporated a rigorous fleet replacement schedule to ensure our crews can effectively clear snow and maintain roadways.

Key Fleet Investments:

To prevent a collapse in operational capacity, we have programmed a specific rotation of dump trucks and light-duty vehicles. Notably, we are utilizing a **split-payment strategy** for heavy dump trucks. This financing tool allows us to flatten the capital expenditure 'spikes' that typically drain our reserves, preserving our Road Use Tax (RUT) cash-on-hand for its primary purpose: purchasing salt, sand, and asphalt for immediate seasonal maintenance.

- **FY 2027:** 1-Ton Truck replacement.
- **FY 2028-2031:** Systematic replacement of Dump Trucks #13 and #20, alongside skid loaders and push blades, and purchase of road resurfacing equipment.
- **FY 2032-2037:** Continuation of the heavy equipment cycle, including End Loaders and additional dump trucks.

D. Utilities (Water & Sewer)

Primary Focus: Regulatory Compliance and System Maintenance.

The WWTP project is non-negotiable due to IDNR mandates. However, we must also maintain the collection system. Consequently, we have accelerated the purchase of the Combination Jet/Vac Truck to FY 2027. This equipment is vital for preventing backups and maintaining the longevity of our sewer mains. Additionally, we have moved the Lovers Lane Lift Station Generator to FY 2029 to ensure power redundancy at that critical lift point.

E. Airport, Parks, & Library

Primary Focus: Maintenance and Amenities.

Investments here are targeted at maintaining current assets (Replacing flooring and doors at the Library, Runway lighting at the Airport, and Park shelters in Parks & Recreation) with one major expansion planned for the Airport (Large Hangar) in the out-years. We have also integrated a granular maintenance schedule for the Aquatic Center and Falcon Civic Center to prevent deferred maintenance backlogs.

4. 10-Year Project Roadmap (FY 2027 – 2037)

The following timeline breaks down major capital expenditures by Fiscal Year.

FY 2027

- **Fire:** Fire Station Engineering & Land Acquisition Phase (\$1M)
- **Library:** Flooring & Door Replacement (\$70,000)
- **Sewer:** WWTP Construction Begins (\$50M total spread over 3 years)
- **Streets (Major):** 1st Street West Reconstruction (Phase 1) Engineering (\$2,140,000)
- **Streets (Fleet):** 1-Ton Truck with Dump Box (\$70,000)
- **Utilities:** Combination Jet/Vac Truck (\$450,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2028

- **Fire:** Fire Station Construction (\$5M)
- **Sewer:** WWTP Construction Continues (Year 2)
- **Streets (Major):** 1st Street West Reconstruction (Phase 2) Construction (\$17,500,000)
- **Streets (Fleet):** 3/4 Ton Truck with Tommy Gate (\$60,000)
- **Streets (Fleet):** Dump Truck #13 Replacement (Installment 1: \$87,500)
- **Airport:** Runway Lighting Rehabilitation (\$400k - 90% FAA Grant)
- **Police:** Patrol Vehicle Replacement Cycle (\$60,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2029

- **Sewer:** WWTP Construction Continues (Year 3)
- **Utilities:** Lovers Lane Lift Station Generator (\$60,000)
- **Streets (Fleet):** 3/4 Ton Truck with Tommy Gate (\$60,000)
- **Streets (Fleet):** Dump Truck #13 Replacement (Installment 2: \$87,500)
- **Streets (Fleet):** Push Blade (\$35,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2030

- **Library:** Furniture Refresh, Exterior Painting (\$120,000)
- **Streets (Fleet):** 1/2 Ton Truck (\$60,000)
- **Streets (Fleet):** Dump Truck #20 Replacement (Installment 1: \$87,500)
- **Parks:** Complex Parking Lot Resurfacing
- **Police:** Patrol Vehicle Replacement Cycle (\$60,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2031

- **Admin:** City Hall Remodel / Reconfiguration (Post-Fire Station Move) (\$1,500,000)
- **Streets (Fleet):** Dump Truck #20 Replacement (Installment 2: \$87,500)
- **Streets (Fleet):** Skid Loader (\$70,000)
- **Streets (Fleet):** Road Resurfacing Equipment (\$225,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2032

- **Fire:** Ladder 1 Replacement (\$3M)
- **Streets (Major):** Lovers Lane Replacement Project (\$3,500,000)
- **Streets (Fleet):** End Loader (Installment 1: \$150,000)
- **Library:** Park Improvements (\$50,000)
- **Police:** Patrol Vehicle Replacement Cycle (\$60,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2033

- **Parks:** Gymnasium Addition (\$1M)
- **Streets (Fleet):** End Loader (Installment 2: \$150,000)
- **Streets (Fleet):** 3/4 Ton Utility Truck (\$80,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2034

- **Streets (Fleet):** Dump Truck CK/Sander (Installment 1: \$87,500)
- **Streets (Fleet):** 3/4 Ton Utility Truck (\$80,000)
- **Airport:** T-Hangar Maintenance
- **Parks:** Gym Floor (\$75,000), Paint/Caulk (\$60,000), Mower (\$13,000), Fence/Shelter (\$65,000)
- **Police:** Patrol Vehicle Replacement Cycle (\$60,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2035

- **Fire:** Fire Engine 1 Replacement (\$1.5M)
- **Streets (Fleet):** Dump Truck CK/Sander (Installment 2: \$87,500)
- **Streets (Fleet):** 1-Ton Truck (\$80,000)
- **Parks:** Mower/Spade (\$30,000), Shed Exp. (\$50,000), Drop Slide (\$25,000), Parking Lot Chip Seal (\$20,000), Playground Surfacing/Ice Rink Hut (\$100,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2036

- **Airport:** Large Hangar Construction (\$1.57M)
- **Streets (Fleet):** Dump Truck CK #6D (Installment 1: \$87,500)
- **Streets (Fleet):** 3/4 Ton Truck (\$65,000)
- **Police:** Patrol Vehicle Replacement Cycle (\$60,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

FY 2037

- **Streets (Fleet):** Dump Truck CK #6D (Installment 2: \$87,500)
- **Streets (Fleet):** 3/4 Ton Truck (\$65,000)
- **Utilities:** Sewer Main Lining/Cleaning/Replacement Program (\$200,000)
- **Utilities:** Water Main Replacement Program (\$300,000)

5. Critical Dependencies & Risks

1. **Fire Station / City Hall Domino Effect: Facility Sequencing:** The City Hall Remodel (\$1.5M) is strategically sequenced to follow the Fire Department's move. By relocating the Fire Department to a purpose-built facility in FY 2028, we unlock a few of the existing fire bays for administrative expansion. This 'Domino Strategy' allows us to modernize City Hall within its existing footprint, avoiding the significantly higher cost of constructing a new administrative building from scratch.
2. **Grant Reliance (BUILD):** The 1st Street West project is heavily dependent on the success of the second BUILD grant application. Failure to secure this would require significant rescheduling of Street priorities.
3. **WWTP Financing:** With the cost updated to \$50M, this single project consumes over 50% of the 10-year capital budget. Careful management of sewer rates and debt service is required to ensure this does not crowd out other General Fund priorities like the Fire Station.

6. Conclusion

This Capital Improvement Plan is an ambitious but necessary roadmap. While the \$97.1M figure is substantial, it prioritizes the 'unseen' infrastructure that supports the city's economic existence. The investment in the Wastewater Treatment Plant, for instance, does more than satisfy a DNR mandate, it secures the capacity required to welcome new industry and housing developments. By approving this strategic direction, the Council empowers Staff to secure the necessary grants and financing to build a resilient Independence.