

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

May 29, 2018

The Ames Transit Agency Board of Trustees met on May 29, 2018 at 3:30 P.M. in CyRide's Conference room. Director Kyras called the meeting to order at 3:31 P.M. due to the change in board membership with Trustees, Cain, Jeffrey, and Schainker present and via conference call, Trustees Schrader and Bibiloni. Absent: Trustee Nelson.

**ELECTION OF OFFICERS AND AMES AREA MPO REPRESENTATIVE:** Director Kyras stated that the first board agenda item was the annual election of officers. She indicated that she had received an email from Trustee Bibiloni and Trustee Jeffrey who had expressed an interest in being President and as Vice President, respectively.

Trustee Schainker made a motion to accept Trustee Bibiloni as President and Trustee Jeffrey as Vice President. Trustee Cain seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

**APPROVAL OF MINUTES:** Trustee Jeffrey made a motion to approve the May 3, 2018 minutes as presented and Trustee Cain seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

**FACILITY ANALYSIS & DISCUSSION:** Director Kyras explained to the transit board that this agenda item represented the second part of CyRide's facility discussion. She then shared a brief summary of Options #1 and #2, which had been previously presented in March 2018, as well as modifications to these options, new information on Options #3 and #4, and a comparison chart of the four options. The last pieces of information prepared for the meeting were a discussion of potential funding opportunities to construct an expansion of CyRide's facility and the next steps/timeline. She also shared that, based on a conversation with the Federal Transit Administration (FTA) that she had learned CyRide would need to formally submit a Facility Feasibility Study for FTA approval, prior to requesting grant funding.

Director Kyras recapped the first two options from the March meeting - building on CyRide's current site with removal of employee parking from the current site and relocating this function to another location, and building a second facility within ½ mile of CyRide's current site. In summary, she shared the 20-year cost estimates, descriptions and concerns of these two options. She then stated that since the last meeting, Iowa State's Facilities Planning & Management Department had indicated, in an email, that the potential site chosen for Option #2, which was based upon a Haber Road site, had been determined that it could not be used to house a building, but could be used in Option #1 for a parking lot. As a result, Director Kyras shared that this information could potentially create a fatal flaw for Option #2 as staff could not identify another site, of the acreage needed, for a second facility within a ½ mile radius of the current building.

Trustee Schainker asked why more vehicles were not able to be housed on the site under Option #1 (95 versus 125). Brent Schipper with ASK Studio responded that the short answer was due to the requirement for circulation as a bus is not able to turn in a small space and the relocation of the maintenance area to the outside of the building. Trustee Schainker also asked if buses could be parked on a second level. Mr. Schipper indicated that there would not be adequate space on the current site to get a bus to a second floor and the cost would be prohibitive.

Director Kyras then explained the modifications that were made to the first two options in light of preparing the last two options and making all four evaluations comparable. The modifications were in designing a second building to 65 buses, stacking a maximum of five buses per row with a circulation lane every three lanes and changing the useful life of the building calculations from 20 years to FTA's required 40-year period.

Director Kyras then explained the information prepared for Options #3 and #4 – Second facility more than ½ mile from current site and second facility large enough to accommodate all operations in the future. She shared common assumptions for these options, indicating that the same building design as Option #2 was used for both new options at a location in West Ames, in the area of S. Dakota and Hwy. 30. She also indicated that, for the evaluation, a building type of pre-cast concrete was used. Mr. Schipper explained that this building material was considered a mid-price range option and that when the building was designed, portions of the building could be constructed of steel at a lower cost. Further, he indicated that building costs at the current site were higher due to the physical constraints of building in a confined area, as opposed to a new unconstrained site.

Director Kyras then detailed Option #3, indicating that the option:

- Houses 125 buses between the two facilities on 12 acres
- Has no new construction at the current site
- Houses 65 buses at the new site including bus storage, wash/fuel lane, maintenance bays, offices and storage
- Costs an additional \$337,475 per year in operating costs
- Has a 20-year estimated operating and construction cost of \$38 million
- Has no payback to FTA
- Could accommodate the new CDL training course at the new site
- Meets 89% of the space needs identified for a fleet of 125 buses
- Has one significant concern - the distance between the two facilities

Trustee Cain asked how CyRide would determine which buses were housed at each site. Director Kyras stated that the assumptions used in the evaluation were based upon a separate analysis completed by CyRide's Scheduler. This study assumed buses that would begin service in West and South Ames would be housed at the new site and that

all other buses would be housed at the current site. Further, she indicated that CyRide's scheduler had calculated the additional annual "deadhead" miles (miles operated without passengers on the bus) that would be required under this assumption.

Trustee Bibiloni inquired whether this option included the additional land cost for the CDL training course. Director Kyras indicated that none of the options included the cost of this course, so that they could be fairly compared. She indicated that each option would require a solution for this requirement and that she did include information regarding whether it could be accommodated in the various options (Options #3 and #4), as opposed to finding a location separate from the facility (Options #1 and #2).

Trustee Cain asked for further explanation regarding what "89% of the space needs" meant. Director Kyras indicated that this was a comparison between the facility space available (sq. ft.) in each of the options compared to the industry standards for a bus fleet of 125 vehicles. This space need standard was presented to board members in the fall of 2018.

Director Kyras then explained Option #4, indicating that the option:

- Houses 125 buses in one facility on 18-20 acres
- Has no new changes to the current facility, as all operations would move to the new building
- Has an increase of \$88,949 per year in current operating costs
- Has a 20-year estimated operating and construction cost of \$53 million
- Has a significant FTA payback of between \$4.5 and \$9.6 million in today's dollars based upon a conversation with FTA and calculated of two, required FTA interest calculations – Market Valuation and Depreciated Cost of FTA Building Grants; this value can be transferred to the interest in the new building; however, the building would need to be sold for this value and used for the facility's construction
- Could accommodate the new CDL training course at the new site
- Meets 100% of the space needs identified for a fleet of 125 buses
- Has one significant concern - the longer distance for buses to begin daily service with the facility farther from the center of Ames

Trustee Schainker shared his concern regarding the additional operating costs under the options. Director Kyras indicated that Options #2 and #3 included duplication in operating two facilities, with the single largest operating cost of approximately \$2.3 million over a 20-year period for a shuttle service to connect employee parking to the building in Option #2. She indicated that there is no duplication/significant additional annual operating cost in Option #4. Trustee Schainker clarified that there would be duplication under Option #4 until the full facility could be built. Director Kyras concurred indicating that construction would most likely need to be phased in over a period of time as funding became available.

Trustee Nelson joined the meeting at 4:05 pm via conference call.

Director Kyras then explained the comparison chart of the four options, indicating that both transit board and FTA criteria were used in the comparison and a numerical rating of the four options with Option #3 and #4 receiving the highest overall ratings. She then briefly provided a staff summary of the four options. While Option #1 is the least expensive it also provides the smallest building with no growth possible and high annual, additional operating costs. Option #2 is believed to be a fatal flaw. Option #3 is the second least expensive 20-year cost, provides more benefit and no payback to FTA; however, has one of the higher additional annual operating costs. Option #4 has the largest construction cost, lowest annual, additional operating cost and high FTA payback costs, however, provides the highest value in having all functions in one location in a facility that meets industry standards. Director Kyras indicated that staff recommend Option #3 with the securement of 18-20 acres, so that CyRide has the ability to accommodate the CDL training course and can accommodate unanticipated changes in its facility needs, as well as being able to revisit Option #4 in the future as the FTA payback costs decrease over time.

Trustee Schainker shared his concern that the Land Use Policy Plan identifies future development in the area of South Dakota and Hwy. 30 as residential. Director Kyras indicated that discussions with Iowa State staff had identified this area as a possible site, for planning purposes only. She indicated that, while a specific site was included in the study, this was only to provide a comparison of the options at this time. She indicated that a Site Analysis Study would be the next step in the process and would determine the feasibility and possibility of a specific site in this area.

Trustee Schainker asked how an expansion of the facility could be accomplished if the board began with Option #3 and was able to eventually consolidate the facility at the new site. Director Kyras indicated that a Master Plan would be developed for based on Option #4, but phases identified that would match the funding and needs at the time. She indicated that she envisioned it much the same as the current facility's growth, which was constructed in six phases.

Trustee Schainker shared his concern that the additional operating costs could not be sustainable in the future, indicating his definition of sustainable was no more than a 5% increase in local funding per year. Director Kyras indicated that the costs were estimates based on hypothetical sites and that after the Site Analysis, these estimates could be refined for the chosen option. Further, she said CyRide's financial situation is constantly changing and provided the example that federal Small Transit Intensive Cities funding (STIC) would be increasing in the next fiscal year by an anticipated \$200,000. She said that at the completion of the Site Analysis study a new five-year pro forma could be developed to address this concern. She also indicated that the additional

operating costs would most likely begin at least five years in future, as it would take years to secure a site, funding, bid and construct a building.

Director Kyras indicated that the next steps after the board selected an option, would be to complete the federally-required Facility Feasibility Study, a Site Analysis study and then develop new construction and operating expenses based on a specific site. She then provided a preliminary time schedule to accomplish these tasks prior to the 2019 round of federal and state grant applications in late spring/early summer 2019.

Director Kyras provided information on possible state and federal grants and local bonding to finance a facility expansion project. She indicated that there was one state facility funding source, Public Transit Infrastructure Grant (PTIG), at a maximum annual award of \$600,000. Federal sources were the Bus and Bus Facilities grant at an estimated maximum of \$6.6 million and the TIGER/BUILD program at an estimated maximum of \$19 million. Each of these grants is competitive and the outcome unknown. She then provided board members with three possible funding scenarios that provided CyRide with a total construction/design budget of between \$750,000 and \$11.75 million.

Director Kyras then explained that past board member discussions on facility needs had offered the possibility of local bonding for this expansion. She indicated that if this is the direction the board chooses to fund an expansion project, that she recommended further study with financial experts from the city and university to identify how this could be supported.

Trustee Schainker reiterated his concern in being able to fund the ongoing expenses for two facilities or a larger facility. Director Kyras indicated that the board could choose of the options to study further to provide the information he was referencing.

Trustee Nelson asked specifically what the board would be committing to at this time. Director Kyras indicated that the commitment would be to choose the option that the board felt was the best direction, which would allow staff to complete a Site Analysis and provide further information to the board. She indicated a decision after this study could be made to proceed forward with commitment of local match for a grant. She indicated that this approach required, at this time, only more staff time and architectural services through CyRide's On-Call architecture/engineering services firm – ASK Studios.

Director Kyras explained the five alternatives provided to the board and recommended Alternative #1 to approve proceeding forward with Option #3 including 18-20 acres and beginning the federal Facility Feasibility Study and Site Analysis.

Trustee Jeffrey inquired about the difficulty in operating from two different locations, citing staffing concerns. Director Kyras indicated that it was more challenging to

operate from two facilities, both from a financial and functional perspective; however, she indicated that operating in a too-tight facility also creates its challenges. She also shared that FTA had indicated, in conversations regarding this study, that it was not unusual for a transit system with approximately 100 vehicles to operate from two facilities, simply due to the size of a facility needed to function from one.

President Bibiloni asked if there was a reason that would force CyRide to have to consider Option #4. Director Kyras indicated that there would not be a reason to force this option to be needed in the future; however, the economics over time in operating from one facility is more favorable.

Trustee Schainker made a motion to move to complete a Site Analysis study for Option #3, including an 18 to 20 acre site and to not proceed with additional studies at this time. Trustee Cain seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Director Kyras provided an additional piece of information for board members to consider as CyRide proceeds with the Site Analysis. She indicated grant requests that included partnerships would rate better in state and federal applications. She specifically indicated working with HIRTA to provide a combined facility that housed public transit within the region might be desirable. She indicated that a preliminary conversation with HIRTA had been favorable. Board member consensus on this issue was to continue to pursue this option, if a site would accommodate this additional bus activity and if HIRTA was interested/able to financially contribute to the project.

**Set Meeting Times and Place:**

- June 28 at 8:00am
- August 15 at 8:00am

School Year meetings scheduled for the third Wednesday of the month at 8:00am

September 19, 2018

October 17, 2018

November 21, 2018

December 19, 2018

January 16, 2019

February 20, 2019

March, 20, 2019 (**Spring Break Week for ISU**)

April 17, 2019

May 15, 2019

**ADJOURN:** Trustee Jeffrey made a motion to adjourn the meeting at 5:15 p.m. and motion seconded by Trustee Schainker (Ayes: Six. Nays: None.) Motion carried.

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Juan Bibiloni, President

Joanne Van Dyke, Recording Secretary