

# Capital Budgeting Program

## Debt Service Sub-Program

### Financial agreements and COPs

The purpose of the Debt Service Sub-Program is to repay long-term financial obligations (both principal and interest) acquired through the issuance of bonds or certificates of participation (COPs) to fund the Department of Forestry's capital construction and deferred maintenance projects. The summary construction information on each phase is included in the "History and Purpose" section.

This is the continuation of a program structure created pursuant to Policy Package #094 (2003 Session Legislative Fiscal Office initiative package). Prior to the 2003 Legislative Session, all material related to debt service was included in Agency Administration. The Department of Forestry currently has long-term financial obligations for its Salem Headquarters, Gilchrist State Forest land purchases, Elliot State Forest COP and Toledo facility replacement projects.

<u>COP</u>	<u>Working Title</u>	<u>Final Payment</u>
2012 Series A	Gilchrist land purchases	April 1, 2032
2015 Series E	Partial refunding, 2009 Series D	April 1, 2029
2015 Series F	Gilchrist land purchases	May 1, 2035
2017 Series C	Partial refunding, 2012 Series A	April 1, 2032
2018 Series A	Toledo construction	May 1, 2038
2019 Series A	COP Elliott	May 1, 2039
2019 Series K	Toledo facility replacement	May 1, 2023

## Essential Packages

None.

## Policy Packages

<u>Package</u>	<u>Component Title</u>	<u>All Funds</u>	<u>Positions / FTEs</u>
801	LFO Analyst Adjustments	(\$64,229)	0/0.00
810	Statewide Adjustments	(\$1,499,572)	0/0.00
811	Budget Reconciliation	\$2,635,443	0/0.00
<b>Total Packages:</b>		<b>\$1,071,642</b>	<b>0/0.00</b>

## Package Narrative

### Package 801-Additional Analyst Adjustments

**Purpose:** This package reduces Interest due to less bonds being issued in the 2021-23 biennium than originally planned.

**Staffing impact:** None

#### Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	\$0
Other Funds	\$0	\$0	(\$64,229)
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$64,229)</b>
<b>Position/FTE</b>	<b>0/0.00</b>	<b>0/0.00</b>	<b>0/0.00</b>

### Package 810-Statewide Adjustments

**Purpose:** This package represents adjustments to State Government Service Charges and DAS pricelist charges. Debt payments were reduced due to the difference between CSL and previously issued bonds.

**Staffing impact:** None

#### Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	(\$475,849)
Other Funds	\$0	\$0	(\$1,023,723)
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,499,572)</b>
<b>Position/FTE</b>	<b>0/0.00</b>	<b>0/0.00</b>	<b>0/0.00</b>

# Capital Budgeting Program

**Package 811-Statewide Adjustments**

**Purpose:** This package adds debt service for planned new capital projects.

**Staffing impact:** None

**Revenue source:**

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	\$1,497,550
Other Funds	\$0	\$0	\$1,137,893
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,635,443</b>
<b>Position/FTE</b>	<b>0/0.00</b>	<b>0/0.00</b>	<b>0/0.00</b>

**Detail of Revenue 107BF07**

**Debt Service**

Source	Fund	ORBITS Revenue Acct	2019-2021 Actuals	2021-23 Legislatively Adopted	2021-23 Estimated	2023-25 Agency Request	2023-25 Governor's	2023-25 Legislatively Adopted
Dedicated Funds Ltd	0560	3400	\$0	\$0	\$0	\$0	\$103,422	\$0
Intrest Income	4430	0605	\$18,839	\$0	\$0	\$0	\$0	\$0
Intrest Income	3430	0605	\$16,792	\$0	\$0	\$0	\$0	\$0
Transfer In-Intrafund	3400	1010	\$0	\$0	\$0	\$330,000	\$330,000	\$0
Transfer In-Intrafund	3430	1010	\$604,135	\$636,664	\$636,664	\$2,036,453	\$2,481,996	\$1,346,553
Tsfr From Administrative Svcs	4430	1107	\$2,514,973	\$2,560,320	\$2,560,320	\$2,557,080	\$2,557,080	\$2,540,230

# Capital Budgeting Program

Acquisition, Construction or Improvement of Real Property, Equipment or IT Systems							
Description of Property/Equipment/System Project	Owned or Operated by the State (if operated, who owns?)	Estimated Useful Life of Capital Asset	Total Estimated Cost of Project	Amount Requested to be Financed in 2023-25	XI-Q Bonds or Lease Financing	Date Financing Needed (list separate rows for different dates <sup>1</sup> )	Debt Service Funding Source
Deferred Maintenance & Capital Improvement of Real Property	State Owned	50 years	\$4,820,771	\$4,820,771	XI-Q Bonds	May 2024	100% GF
Toledo Facility Replacement - Phase 3	State Owned	50 years	\$3,832,965	\$1,300,000	XI-Q Bonds	May 2024	41.85% GF / 58.15% OF
Airplane Purchase	State Owned	50 years	\$12,000,000	\$12,000,000	XI-Q Bonds	October 2024	50.45% GF / 49.55% OF
Salem Airplane Hanger Building	State Owned	50 years	\$2,000,000	\$2,000,000	XI-Q Bonds	May 2024	61.2% GF / 38.8% OF
<b>Totals</b>			<b>\$22,653,736</b>	<b>\$20,120,771</b>			

1. Sale dates for Article XI-Q Bonds are for budgeting purposes only and are subject to change.

## Capital Improvement Sub-Program

### Program overview

The Capital Improvement Program supports the Department of Forestry through the improved functionality and extended life of its facilities assets to meet current and future business needs.

### Statutory authority

ORS 276.227(5)

ORS 276.229

ORS 291.216(8)(D)

### Purpose, customers, and source of funding

The purpose of the Capital Improvement Program is to maintain the department's investment in its capital assets, improve the function of its buildings and to renew obsolete facilities and system components. Capital improvement projects are those capital projects that are capitalized, have a cost of less than \$1 million, increase the value and extend the useful life or adapt a capital asset to a different use. The primary funding resources are state General Fund appropriations, assessments from forest landowners, net proceeds from state forest operations, and Department of Forestry operating programs.

To maximize the effectiveness of limited funding resources, the focus of the Capital Improvement Program is on the following categories of needs that emphasize improved safety and function of the department's facilities:

- Code and Life Safety — Improvements to older facilities to meet modern building code and life-safety requirements.
- Service Life — Renewal projects to offset the wear and decline of operational facilities due to intensive, long-term use.
- Programmatic Changes — Revisions to meet changing program needs to maintain staff productivity and work capacity.
- Functional Obsolescence — Renovations to facilities to remove functional obstacles and to install technological improvements.

Capital improvement projects are identified through a collaborative budget development process with stakeholders each fiscal year utilizing the department's facilities operation and capital investment account (FOCIA), which is the agency's facilities management planning process tool.

## Capital Budgeting Program

### Detail of Revenue 107BF07

#### Capital Improvement:

Source	Fund	ORBITS Revenue Acct	2019-2021 Actuals	2021-23 Legislatively Adopted	2021-23 Estimated	2023-25 Agency Request	2023-25 Governor's	2023-25 Legislatively Adopted
Rents and Royalties	3010	0510	\$36,699	\$0	\$0	\$0	\$0	\$0
General Fund Obligation Bonds	3010	0555	\$0	\$4,820,772	\$4,820,772	\$10,223,244	\$10,223,244	\$0
Dedicated Fund Oblig Bonds	3010	0560	\$0	\$0	\$0	\$0	\$4,820,771	\$0
Interest Income	3010	0605	\$748	\$0	\$0	\$0	\$0	\$0
Other Revenues	3010	0975	\$8,804	\$0	\$0	\$0	\$0	\$0
Transfer In-Intrafund	3010	1010	\$715,748	\$4,989,489	\$4,989,489	\$5,199,047	\$5,199,047	\$10,222,290
Tsfr From Lands, Dept of State	3010	1141	\$65	\$0	\$0	\$0	\$0	0

#### Capital Construction:

Source	Fund	ORBITS Revenue Acct	2019-2021 Actuals	2021-23 Legislatively Adopted	2021-23 Estimated	2023-25 Agency Request	2023-25 Governor's	2023-25 Legislatively Adopted
General Fund Obligation Bonds	3020	0555	\$0	\$1,632,842	\$1,632,842	\$1,300,000	\$1,300,000	\$0
Dedicated Fund Oblig Bonds	3020	0560	\$0	\$0	\$0	\$21,000,000	\$21,000,000	\$3,500,000

# Capital Budgeting Program

## *Essential Packages*

### **Pkg 031-Standard Inflation and State Government Service Charge**

The purpose of this package is to include a set of standardized inflation rates for all agencies, increasing their budgets above their final base amounts for all non-personal-services expenditure accounts. These rates are 4.2% for standard or “generic” accounts, and then larger rates for “Price List Accounts,” specifically 8.8% for Professional Services and 21.10% for Attorney General charges. There is no change to position counts or FTE.

## *Policy Packages*

Package	Component Title	All Funds	Positions / FTEs
801	LFO Analyst Adjustments	(\$4,820,772)	0/0.00
811	Additional Analyst Adjustments	\$4,820,771	0/0.00
<b>Total Packages:</b>		<b>(\$1)</b>	<b>0/0.00</b>

## *Package Narrative*

### **Package 801-LFOAnalyst Adjustments**

**Purpose:** This package removes 2021-23 Deferred Maintenance funding.

**Staffing impact:** None

**Revenue source:**

	<u>Agency Request</u> Budget	<u>Governor's</u> Budget	<u>Legislatively</u> Adopted Budget
General Fund	\$0	\$0	\$0
Other Funds	\$0	\$0	(\$4,820,772)
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,820,772)</b>
<b>Position/FTE</b>	<b>0/0.00</b>	<b>0/0.00</b>	

### **Package 811-Budget Reconciliation**

**Purpose:** This package adds Deferred Maintenance funding.

**Staffing impact:** None

**Revenue source:**

	<u>Agency Request</u> Budget	<u>Governor's</u> Budget	<u>Legislatively</u> Adopted Budget
General Fund	\$0	\$0	\$0
Other Funds	\$0	\$0	\$4,820,771
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,820,771</b>
<b>Position/FTE</b>	<b>0/0.00</b>	<b>0/0.00</b>	

# Capital Budgeting Program

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## **Capital Construction Sub-Program**

### **Program overview**

The Capital Construction Program supports the department through the renewal, acquisition and construction of the highest priority major construction/acquisition projects to meet current and future business needs.

### **Statutory authority**

ORS 291.224

ORS 291.216(8)(C)

### **Purpose, customers, and source of funding**

The purpose of the Capital Construction Program is to maintain and develop functional capital assets through the renewal, acquisition and construction of major construction/acquisition projects to meet programmatic changes and to replace obsolete facilities. Major construction/ acquisition projects are those projects that are capitalized, have a cost of more than \$1 million, and are used to build, acquire, adapt, replace or change the function of a facility.

The department proposes to use XI-Q bond financing. The debt service for the XI-Q bond financing will be a combination of General Fund and Other Funds resources comprised of program prorated and rent-back funds, direct assessments from forest landowners, and where appropriate, net proceeds from state forest operations.

To maximize the effectiveness of limited revenue sources, the focus of Capital Construction Program is on the following categories of needs that emphasize improved safety and function of the department's facilities:

- Code and Life Safety—Improvements to our older facilities to meet modern building code and life-safety requirements.
- Service Life—Renewal and replacement projects to offset the wear and decline of our facilities due to intensive, long-term use.
- Programmatic Changes—Revisions to meet changing program needs and to maintain staff productivity and work capacity.
- Functional Obsolescence—Renovation and replacement projects to eliminate functional limitations.

# Capital Budgeting Program

## Facility Plan - Major Construction/ Acquisition Project Narrative

Facility Plan - Major Construction/ Acquisition Project Narrative 107BF-11  
2023-25 Biennium

*Note: Complete a separate form for each project.*

<b>Agency</b>	Oregon Department of Forestry		
<b>Project Name</b>	State Forester's Office Building Restoration	<b>Cost Estimate</b>	\$13-\$17M
<b>Address/Location</b>	2600 State St., Salem, OR 97310	<b>Cost Est. Date</b>	May-22
		<b># Stories</b>	3 incl basement
		<b>Land Use/Zoning Satisfied</b>	Y
		<b>Schedule</b>	<b>Start Date</b>
			TBD
			<b>Est. Completion</b>
			TBD

Funding Source/s: Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Federal
	\$ 8,588,400	N/A	\$ 8,411,600	N/A

**Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected**

The State Forester's Office Building, constructed under the auspices of the WPA and opened for use in 1938, represents the best design and highest degree of historical integrity among the facilities constructed by the Department. The State Forester's Office Building and adjacent stone walls and walkways were placed on the National Register of Historic Places in 1982. The Department has completed several studies and condition assessments, culminating in an updated Historic Preservation Plan for the restoration of the State Forester's Office Building.

The Historic Preservation Plan for the restoration of the State Forester's Office Building. The Historic Preservation Plan was prepared by Architectural Resources Group, Inc., the historic preservation architectural firm for the State Hospital and the Capital Building projects. As part of the planning process, the Department presented the project to the City of Salem Community Development and Building Department, to the Historic Landmarks Commission and to the Oregon Department of Energy.

The architectural scope of the project includes: masonry repointing; seismic improvements; reroofing; window restoration; accessibility improvements including installation of an elevator; restoration of interior woodwork; restroom, copy room and basement restoration and functional improvements; and the restoration of the Old Board Room ceiling which was damaged during an earlier remodel. The mechanical, plumbing, and electrical scope of the project includes: new hot water biomass boiler and hydronic piping system; new chilled water cooling system; new ventilation air system; new fire sprinkler system; new plumbing system; upgrade of electrical service and distribution system; upgrade of voice and data system; upgrade of fire alarm system; and upgrade and restoration of interior lighting.

The project has been reviewed and accepted by CPAB in 2006, 2008, 2010, 2012, and 2014.

**Project Scope and Alternates Considered**

The scope of this project includes the replacement and renovation of the building's mechanical, plumbing, and electrical systems, and the restoration of interior and exterior architectural components along with the rehabilitation of the adjacent sidewalks, walls, and the grand chimney. It is important to note that the vast majority of the proposed work at the basement level is unrelated to the conversion to office space and is being performed to improve the building's (1) structural stability, (2) water-tightness, (3) accessibility and (4) MEP performance.

Seismic work in the basement will include:

- A connection will be added to transfer lateral forces from the wood shear walls into the basement concrete walls because there is a lack of connection between the wood shear walls and the concrete basement perimeter walls.
- In addition to the basement perimeter concrete shear walls, the new lateral-force-resisting system will utilize the existing concrete vault walls at both the first floor and basement levels. Currently, the first floor vault walls are not continuous to the foundation. The strengthening scheme proposed to extend these walls down to the foundation. Connections will be made from the diaphragms to the walls to utilize these concrete walls as shear walls.
- Since there is an elevator planned for the restoration, two of the elevator core walls will be reinforced concrete shear walls and can be utilized to resist lateral loads from all diaphragms.
- A new stud wall will be inserted to brace the hollow clay tile walls for out-of-plane loading. There is one known location where a hollow clay tile is a load-bearing wall. In this location, a new stud wall will be added to provide secondary gravity support of the floor joists to prevent a collapse of the first floor in the event of an earthquake.
- The existing large chimney represents a significant falling hazard during a seismic event. This chimney is located adjacent to the State Forester's Office and is an important feature of this historic building. The strengthening scheme involves the careful removal of the stonework and supporting structure from the exterior face of the entire chimney height, providing access to the interior of the chimney to construct full height, reinforced concrete strengthening elements. A new footing will be constructed at the basement level inside the existing building accompanied by an anchor below grade outside the building footprint. A strut ties the anchor to the new concrete chimney shear walls near the ground floor level.

Water-proofing work will include:

- Excavate around the entire building foundation and install new damp-proofing, drainage mat, gravel, insulation and new foundation drains that will tie into existing storm lines.
- Replace existing 6" slab with new concrete slab over compacted soil and water-proofing.

Accessibility improvements:

- Per meeting with the building officials at the outset of the project, it was confirmed that 25 percent of the project budget has to go to go towards eliminating accessibility barriers. In addition to improvements that allow better access to the building from the parking lot, an elevator was added to the project for universal access to the conference room on the second floor. By installing the elevator this also allows universal access to the basement level, where currently the non-accessible kitchen is located. The new kitchen would be slightly enlarged and made accessible.

MEP Improvements:

- Currently the Basement level is used for storage of archival materials and as a meeting space. The rooms are currently not heated. The preservation plan would call for heating and cooling these spaces which would make the basement level more conducive as an archival storage and meeting space.
- The added benefit to the above mentioned work (all of which is required for seismic, accessibility and building maintenance reasons) is that with minimal upgrades to the finishes, the already existing office spaces can once again be used as they were historically.

# Capital Budgeting Program

**Project Budget Estimate - Escalate to the mid-point of construction. Use 4.5% Annual Escalation.**

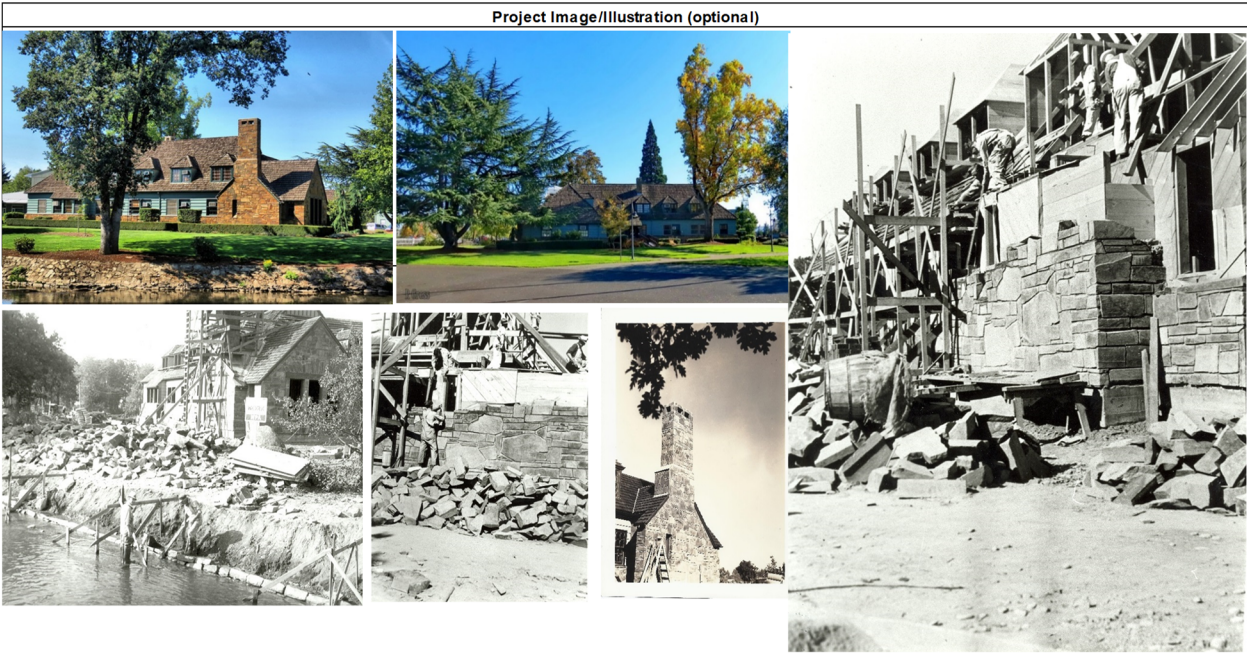
DIRECT CONSTRUCTION COSTS	\$	% Project Cost	\$/GSF
1 Building Cost Estimate			
2 Site Cost Estimate (20 Ft beyond building footprint)			
<b>3 TOTAL DIRECT CONSTRUCTION COSTS</b>	=		

INDIRECT CONSTRUCTION COSTS	\$	% Project Cost	\$/GSF
4 Owner Equipment / Furnishings / Special Systems			
5 Construction Related Permits & Fees			
Other Indirect Construction Costs Including 1% Art, 1.5% Renewable Energy			
6 and other state requirements			
7 Architectural, Engineering Consultants			
8 Other Design and PM Costs			
9 Relocation/Swing Space Costs			
<b>10 TOTAL SOFT COSTS</b>			

11 **OWNER'S PROJECT CONTINGENCY**

TOTAL PROJECT COST	\$	% Project Cost	\$/GSF

Cost Estimate Source (EG Agency, Cost Estimator, A/E, etc.) Architectural Resources Group, Inc.





# Capital Budgeting Program

Facility Plan - Major Construction/ Acquisition Project Narrative 107BF11  
2023-25 Biennium

Note: Complete a separate form for each project.

Agency	Oregon Department of Forestry		
Project Name	Klamath Lake Fire Cache Bldg. Replacement Project	Cost Estimate	\$1.5M
Address /Location	3200 Delapl Rd, Klamath Falls OR 97601	Cost Est. Date	May-22
		# Stories	2
		Land Use/Zoning Satisfied	Y
		Est. Completion	TBD
		Federal	N/A

Funding Source(s): Show the distribution of dollars by funding source for the full project cost.	General Funds	Lottery	Other	Federal
	\$ 1,155,000	N/A	\$ 345,000	N/A

Description of Agency Business/Master Plan and Project Purpose/Problem to be Corrected

Description: replacement of the Fire Cache Facility destroyed by fire in 2021.

Purpose/Need: fire cache supply storage.

Planning Phase: master planning phase in process.

Estimated Cost: \$1.5M

Timeline: 2023/25 biennium at the earliest. Possible 25/27 biennium delement pending master plan findings.

### Project Scope and Alternates Considered

The department is currently undertaking a master plan study to determine programming needs and to evaluate opportunities prior to the reconstruction of the cache facility. This facility, along with all KLD campus facilities, were evaluated by Faithful & Gould, who produced the 2017 Facilities Condition Assessment (FCA). To augment the FCA, ODF is soliciting A&E services to perform a district-wide program and master plan. The primary goal of the plan has been to establish the physical space needs and other facilities improvements necessary for efficient and effective district operations.

**Project Budget Estimate - Escalate to the mid-point of construction. Use 4.5% Annual Escalation.**

<b>DIRECT CONSTRUCTION COSTS</b>		\$	% Project Cost	\$/GSF
1 Building Cost Estimate				
2 Site Cost Estimate (20 Ft beyond building footprint)				
<b>3 TOTAL DIRECT CONSTRUCTION COSTS</b>	=			

<b>INDIRECT CONSTRUCTION COSTS</b>				
4 Owner Equipment / Furnishings / Special Systems				
5 Construction Related Permits & Fees				
6 Other Indirect Construction Costs Including 1% Art, 1.5% Renewable Energy and other state requirements				
7 Architectural, Engineering Consultants				
8 Other Design and PM Costs				
9 Relocation/Swing Space Costs				
<b>10 TOTAL SOFT COSTS</b>				
<b>11 OWNERS PROJECT CONTINGENCY</b>				

<b>TOTAL PROJECT COST</b>	\$	% Project Cost	\$/GSF
	\$1.5M Est.		

Cost Estimate Source (EG Agency, Cost Estimator, A/E, etc.): DAS Insurance + ODF Internal

Project Image/Illustration (optional)



# Capital Budgeting Program

## Facility Plan - 10-Year Space Needs Summary Report

Facility Plan - 10 Year Space Needs Summary Report  
2023-25 Biennium

Agency Name Oregon Department of Forestry

Note: List each project/lease or disposal separately.

### Proposed New Construction or Acquisition - Complete for 5 Biennia

Biennium	Agency Priority	Concept/Project Name	Description	GSF	Position Count <sup>1</sup>	General Fund	Other Funds	Lottery Funds	Federal Funds	Estimated Cost/Total Funds
2023-25		NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025-27										
2027-29										
2029-31										
2031-33										

### Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium	Location	Description/Use	Term in Years	Total RSF <sup>2</sup> +/- (added or eliminated)	USF <sup>3</sup>	Position Count <sup>1</sup>	Biennial \$ Rent/RSF <sup>2</sup>	Biennial \$ O&M <sup>4</sup> /RSF <sup>2</sup> not included in base rent payment	Total Cost/Biennium
				A	B	C	D	E	(D+E) * A
2023-25	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025-27									
2027-29									

### Proposed Lease Changes over 10,000 RSF - Complete for 3 Biennia

Biennium	Location	Description/Use	Term in Years	Total RSF <sup>2</sup> +/- (added or eliminated)	USF <sup>3</sup>	Position Count <sup>1</sup>	Biennial \$ Rent/RSF <sup>2</sup>	Biennial \$ O&M <sup>4</sup> /RSF <sup>2</sup> not included in base rent payment	Total Cost/Biennium
				A	B	C	D	E	(D+E) * A
2023-25	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2025-27									
2027-29									

### Planned Disposal of Owned Facility

Biennium	Facility Name	Description
2023-25	Toledo Unit Office	Toledo Unit Office
2025-27		
2027-29		

# Capital Budgeting Program

## Capital Financing Six-Year Forecast Summary

### Capital Financing Six-Year Forecast Summary 2023-25

Department of Forestry  
62900

**Provide amounts of agency financing needs for the 2023-25 biennium, by expected use and repayment source. Include proposed project amounts only (do not include debt service from either previously issued debt or from new debt issuance).**

Use of Bond Proceeds	Bond Type		Totals by Repayment Source	
	General Obligation Bonds	Revenue Bonds		
<b>Major Construction / Acquisition Projects</b>				
General Fund Repayment	\$ 11,524,050	\$	\$ 11,524,050	GF
Lottery Funds Repayment			-	LF
Other Funds Repayment	11,975,950		11,975,950	OF
Federal Funds Repayment			-	FF
Total for Major Construction	\$ 23,500,000	\$ -	\$ 23,500,000	
<b>\$500,000</b>				
General Fund Repayment	\$	\$	-	GF
Lottery Funds Repayment			-	LF
Other Funds Repayment			-	OF
Federal Funds Repayment			-	FF
Total for Equipment/Technology	\$ -	\$ -	\$ -	
<b>Debt Issuance for Loans and Grants</b>				
General Fund Repayment	\$ 1,219,005	\$	\$ 1,219,005	GF
Lottery Funds Repayment			-	LF
Other Funds Repayment	1,179,243		1,179,243	OF
Federal Funds Repayment			-	FF
Total for Loans and Grants	\$ 2,398,248	\$ -	\$ 2,398,248	
<b>Total All Debt Issuance</b>				
General Fund Repayment	\$ 12,743,055	\$ -	\$ 12,743,055	GF
Lottery Funds Repayment	-	-	-	LF
Other Funds Repayment	13,155,193	-	13,155,193	OF
Federal Funds Repayment	-	-	-	FF
<b>Grand Total 2023-25</b>	\$ 25,898,248	\$ -	\$ 25,898,248	

# Capital Budgeting Program

## Capital Financing Six-Year Forecast Summary 2025-27

Department of Forestry  
62900

**Provide amounts of agency financing needs for the 2025-27 biennium, by expected use and repayment source. Include proposed project amounts only (do not include debt service from either previously issued debt or from new debt issuance).**

Use of Bond Proceeds	Bond Type		Totals by Repayment Source		
	General Obligation Bonds	Revenue Bonds			
<b>Major Construction / Acquisition Projects</b>					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Major Construction	\$	-	\$	-	-
<b>Equipment/Technology Projects over \$500,000</b>					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Equipment/Technology	\$	-	\$	-	-
<b>Debt Issuance for Loans and Grants</b>					
General Fund Repayment	\$	1,881,551	\$	1,881,551	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment		1,778,788		1,778,788	OF
Federal Funds Repayment				-	FF
Total for Loans and Grants	\$	3,660,339	\$	-	\$ 3,660,339
<b>Total All Debt Issuance</b>					
General Fund Repayment	\$	1,881,551	\$	-	\$ 1,881,551 GF
Lottery Funds Repayment		-		-	-
Other Funds Repayment		1,778,788		-	1,778,788 OF
Federal Funds Repayment		-		-	-
<b>Grand Total 2025-27</b>	\$	3,660,339	\$	-	\$ 3,660,339

# Capital Budgeting Program

## Capital Financing Six-Year Forecast Summary 2027-29

Department of Forestry  
62900

**Provide amounts of agency financing needs for the 2027-29 biennium, by expected use and repayment source. Include proposed project amounts only (do not include debt service from either previously issued debt or from new debt issuance).**

Use of Bond Proceeds	Bond Type		Totals by		
	General Obligation Bonds	Revenue Bonds	Repayment Source		
<b>Major Construction / Acquisition Projects</b>					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Major Construction	\$	-	\$	-	
<b>Equipment/Technology Projects over \$500,000</b>					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Equipment/Technology	\$	-	\$	-	
<b>Debt Issuance for Loans and Grants</b>					
General Fund Repayment	\$	1,880,712	\$	1,880,712	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment		1,778,247		1,778,247	OF
Federal Funds Repayment				-	FF
Total for Loans and Grants	\$	3,658,959	\$	-	\$ 3,658,959
<b>Total All Debt Issuance</b>					
General Fund Repayment	\$	1,880,712	\$	-	\$ 1,880,712 GF
Lottery Funds Repayment		-		-	-
Other Funds Repayment		1,778,247		-	1,778,247 OF
Federal Funds Repayment		-		-	-
<b>Grand Total 2027-29</b>	\$	3,658,959	\$	-	\$ 3,658,959

# Facilities Maintenance & Management Narrative

## Essential Packages

None.

## Policy Packages

Package	Component Title	All Funds	Positions / FTEs
114	Klamath Facility Replacement	\$1,500,000	0/0.00
816	Salem Aircraft Hanger	\$2,000,000	0/0.00
<b>Total Packages:</b>		\$3,500,000	0/0.00

## Package Narrative

### Package 114-Klamath Facility Replacement

**Purpose:** This policy option package supports the needed investment to facilitate the replacement of the Klamath Lake District HQ's Fire Cache Facility destroyed by fire.

**Staffing impact:** None.

### Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	\$0
Other Funds	\$1,500,000	\$1,500,000	\$1,500,000
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>Position/FTE:</b>	<b>0/0.00</b>	<b>0/0.00</b>	<b>0/0.00</b>

### Package 816-Salem Aircraft Hanger

**Purpose:** This policy option package supports the building of an aircraft hanger to house the new aircraft authorized to be built in Package 811.

**Staffing impact:** None.

### Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	\$0
Other Funds	\$0	\$0	\$2,000,000
Federal Funds	\$0	\$0	\$0
<b>All Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000,000</b>
<b>Position/FTE:</b>	<b>0/0.00</b>	<b>0/0.00</b>	<b>0/0.00</b>

## Executive Summary

### Long-term focus area impacted by the program

Primary outcome area:

- Excellence in state government
- Effective facilities management
- Good stewardship of agency assets
- Sustainable facilities
- Effective long-range capital planning

### Primary program contact

D. Chris Stewart, P.E., Facilities Program Manager, 503-945-7375,  
david.c.stewart@odf.oregon.gov

### Program overview

The Facilities Capital Management Program supports the Department of Forestry's missions through an integrated facilities management plan that protects the health and safety of the public and personnel, protects and preserves the department's capabilities and capital investments, and minimizes life-cycle facilities costs. The objective of the Facilities Maintenance and Management Program is to ensure that sufficient funds are available for the department's routine maintenance program, the reduction of deferred maintenance, and the implementation of prioritized capital construction and improvement projects.

### Program funding

For the 2023-25 biennium, the Facilities Capital Management Program is requesting \$6,146,269 all Other Funds.

# Facilities Maintenance & Management Narrative

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## **Program description**

Since its establishment in 1911, the department and the state's forest protection landowner associations have constructed and acquired facilities to support the department's major program areas. The department's current building inventory includes 381 buildings with a current replacement value of approximately \$277 million. Outside of the Salem headquarters buildings, which house the department's centralized operational and business functions, the balance of the buildings is within 12 fire protection districts and five state forests. The Facilities Capital Management Program manages the lifecycle of the Department of Forestry's facilities assets. The department regularly repairs or replaces those facilities and components that have served their useful life.

The department's facilities support a wide range of activities, including administrative functions, firefighter support and dispatch, fire engine and equipment storage, vehicle repair and fabrication, reforestation activities, radio communication sites, and forest fire lookouts. The acquisition of these facilities spans decades of building design, construction, and workplace technologies. Operations, maintenance, and capital renewal budgets are established throughout the department on a fiscal year basis through a collaborative budget development process with stakeholders.

Facilities are the physical foundation of the department's service delivery and contribute to the socioeconomic fabric of their communities. These facilities must be safe, energy efficient and provide the appropriate functional environment to meet the needs of the department's operational divisions. The program's customers include employees, as well as stakeholders who visit department facilities for services.

## **Enabling legislation/program authorization**

ORS 276.227(5)

ORS 276.229

ORS 276.285

ORS 291.215

ORS 291.216(8)(C)

ORS 291.216(8)(D)

ORS 291.224

## **Funding streams supporting the program**

Revenue for the program comes from a revenue transfer of Other Funds from the department's operating divisions (Fire Protection, State Forests, Federal Forest Restoration, and Forests Resources Division).

## ***Program Unit Narrative***

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The major activity of the Facilities Capital Management Program during the 2021 -23 biennium is the development of a long-range capital renewal plan that addresses all facility needs, including major maintenance, deferred maintenance reduction, capital improvement and major construction.

The central point of the department's capital plan is that it is strategically and analytically driven with a long-term view of how funding and debt service may be accomplished. The capital planning process is focused on:

- Linkage of the capital plan with the department's strategic priorities.
- Centralized leadership of facilities capital planning with stakeholder involvement.
- Comprehensive needs assessments addressing all capital needs.
- Credibility of information, project prioritization and capital investment decisions.
- Development of a consistent funding framework.

Department leadership is currently developing a strategic planning context that identifies key planning issues, opportunities and priorities.

Completion is nearing on acquisition of a facilities asset management system to provide a foundation for informed decision-making through improved capacity to quantify, track and analyze facilities needs and costs.

## **Revenue**

Revenue for the Facilities Capital Management program comes from a revenue transfer of Other Funds from the department's operating divisions (Fire Protection, State Forests, Federal Forest Restoration, and Forests Resources Division). No new revenue streams are proposed for the 2023-25 biennium.

## Facilities Maintenance & Management Narrative

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### Detail of Revenue 107BF07

Facilities:

Source	Fund	ORBITS Revenue Acct	2019-2021 Actuals	2021-23 Legislatively Adopted	2021-23 Estimated	2023-25 Agency Request	2023-25 Governor's	2023-25 Legislatively Adopted
Charges for Services	3400	0410	\$502	\$0	\$0	\$0	\$0	\$0
Rents and Royalties	3400	0510	\$4,382,479	\$0	\$0	\$0	\$0	\$0
Intrest Income	3400	0605	\$68,068	\$0	\$0	\$0	\$0	\$0
Other Revenues	3400	0975	\$705,868	\$0	\$0	\$0	\$0	\$0
Transfer In-Intrafund	3400	1010	\$0	\$5,887,024	\$5,887,024	\$6,146,321	\$6,146,321	\$6,146,253



# Facilities Maintenance & Management Narrative

## Operations and Maintenance Report

Facility Plan - Facility O&M/DM Report 107B16b  
2023-25 Biennium

Agency Name Oregon Department of Forestry

### Facilities Operations and Maintenance (O&M) Budget excluding Capital Improvements and Deferred Maintenance

Personal Services (PS) Operations and Maintenance  
Services and Supplies (S&S) Operations and Maintenance  
Utilities not included in PS and S&S above

**Total O&M**  
**O&M \$/SF**

1	2019-21 Actual	2021-23 LAB	2023-25 Budgeted	2025-27 Budgeted
	\$ 1,089,401.00	\$ 3,389,247.00	\$ 3,389,247.00	\$ 3,528,206.13
	\$ 2,028,147.00	\$ 3,574,205.00	\$ 3,574,205.00	\$ 3,720,747.41
	\$ 3,117,548.00	\$ 6,963,452.00	\$ 6,963,452.00	\$ 7,248,953.53
	3.77	8.42	8.42	8.77

**Total O&M SF**

827,029 Include only the SF for which your agency provides O&M funding.

**O&M Estimated Fund Split Percentage %**

2	General Fund	Lottery Fund	Other Funds	Federal Funds
	0.00%	0.00%	99.96%	0.04%

### Deferred Maintenance Funding In Current Budget Model

Total Short and Long Term Deferred Maintenance Plan for Facilities

Priorities 1-3 - Currently, Potentially and Not Yet Critical  
Priority 4 - Seismic & Natural Hazard  
Priority 5 - Modernization

**Total Priority Need**

**Facility Condition Index (Priority 1-3 Needs/CRV)**

3	2023-25 Biennium		Ongoing Budgeted (non POP)	Ongoing Budgeted (non POP)
4,5,6	Current Costs 2021	Ten Year Projection	2023-25 Budgeted SB 1067 (2% CRV min.)	2025-27 Projected SB 1067 (2% CRV min.)
	\$ 26,736,859	\$ 69,460,724	\$ 3,063,222	\$ 6,260,229
7	\$ -	\$ -		
8				
	\$ 26,736,859	\$ 69,460,724	\$ 3,063,222	\$ 6,260,229
9	10.8%	28.1%	9.6%	25.6%

**Assets CRV**

\$ 246,755,026 Current Replacement Value Reported to Risk or Calculated Replacement Value Reported from Facility Conditions Assessment (FCA)

Process/Software for routine maintenance (O&M)  
Process/Software for deferred maintenance/renewal  
Process for funding facilities maintenance

Replaced outdated ACCESS database with the iPlan™ platform (new software TBD by DAS)	Provide narrative
iPlan™ (new software TBD by DAS)	Provide narrative
Policy Option Packages (POPs)	Provide narrative