

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

Package	Component Title	All Funds	Positions / FTEs
091	Additional Analyst Adjustments	\$103,422	0/0.00
Total Packages:		\$103,422	0/0.00

Package Narrative

Package 091-Additional Analyst Adjustments

Purpose: This package provides cost issuance for the reauthorization of the Toledo Phase II project as well as reauthorization for remaining 2021-23 Capital Improvement and Renewal 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	
Other Funds	\$0	\$103,422	
Federal Funds	\$0	\$0	
All Funds	\$0	\$103,422	
Position/FTE	0/0.00	0/0.00	

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 ¹)	Debt Service Funding Source
Deferred Maintenance & Capital Improvement of Real Property	State Owned	50 years	\$4,820,771	\$4,820,771	XI-Q Bonds	October 2022	100% GF
Toledo Facility Replacement - Phase 3	State Owned	50 years	\$1,300,000	\$1,300,000	XI-Q Bonds	October 2022	41.85% GF / 58.15% OF
Santiam Facility Replacement	State Owned	50 years	\$2,500,000	\$0	XI-Q Bonds	N/A	
Klamath Facility Replacement	State Owned	50 years	\$1,500,000	\$0	XI-Q Bonds	N/A	
State Foresters Office Renovation	State Owned	50 years	\$17,000,000	\$17,000,000	XI-Q Bonds	October 2022	66% GF / 34% OF
Totals			\$27,120,771	\$23,120,771			

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	
General Fund Obligation Bonds	3010	0555	\$0	\$4,820,772	\$4,820,772	\$10,223,244	\$10,223,244	
Dedicated Fund Oblig Bonds	3010	0560	\$0	\$0	\$0	\$0	\$4,820,771	
Interest Income	3010	0605	\$748	\$0	\$0	\$0	\$0	
Other Revenues	3010	0975	\$8,804	\$0	\$0	\$0	\$0	
Transfer In-Intrafund	3010	1010	\$715,748	\$4,989,489	\$4,989,489	\$5,199,047	\$5,199,047	
Tsfr From Lands, Dept of State	3010	1141	\$65	\$0	\$0	\$0	\$0	

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	\$6,146,321.0	

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	
Intrest Income	4430	0605	\$18,839	\$0	\$0	\$0	\$0	
Intrest Income	3430	0605	\$16,792	\$0	\$0	\$0	\$0	
Transfer In-Intrafund	3400	1010	\$0	\$0	\$0	\$330,000	\$330,000	
Transfer In-Intrafund	3430	1010	\$604,135	\$636,664	\$636,664	\$2,036,453	\$2,481,996	
Tsfr From Administrative Svcs	4430	1107	\$2,514,973	\$2,560,320	\$2,560,320	\$2,557,080	\$2,557,080	

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	
Dedicated Fund Oblig Bonds	3020	0560	\$0	\$0	\$0	\$21,000,000	\$21,000,000	

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
091	Additional Analyst Adjustments	\$4,820,771	0/0.00
Total Packages:		\$4,820,771	0/0.00

Package Narrative

Package 091-Additional Analyst Adjustments

Purpose: This package provides cost of issuance and expenditure limitation for the reauthorization of 2021-23 Capital Improvement and Renewal 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	
Other Funds	\$0	\$4,820,771	
Federal Funds	\$0	\$0	
All Funds	\$0	\$4,820,771	
Position/FTE	0/0.00	0/0.00	

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 prorate 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 107BF11
2023-25 Biennium

Note: Complete a separate form for each project.

Agency	Oregon Department of Forestry		Schedule						
Project Name	State Forester's Office Building Restoration	Cost Estimate	\$13-\$17M	Cost Est. Date	May-22	Start Date	TBD	Est. Completion	TBD
Address/Location	2600 State St., Salem, OR 97310	GSF	11,230	# Stories	3 incl basement	Land Use/Zoning Satisfied	Y		N

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 CPAE 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 5" 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)			
3 TOTAL DIRECT CONSTRUCTION COSTS	=		

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			
10 TOTAL SOFT COSTS			

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	Cost Estimate	Cost Est. Date	Schedule	Est. Completion
Project Name	Klamath Lake Fire Cache Bldg. Replacement Project	\$1.5M	May-22	TBD	TBD
Address/Location	3200 Delap Rd, Klamath Falls OR 97601	GSF	# Stories	Land Use/Zoning Satisfied	
		3,674	2	Y	N

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 deferral 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 fire 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.

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

INDIRECT CONSTRUCTION COSTS

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			
10 TOTAL SOFT COSTS			

11 OWNERS PROJECT CONTINGENCY

TOTAL PROJECT COST	\$	% 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 ¹	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 ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² 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 ² +/- (added or eliminated)	USF ³	Position Count ¹	Biennial \$ Rent/RSF ²	Biennial \$ O&M ⁴ /RSF ² 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		
	General Obligation Bonds	Revenue Bonds	Repayment Source		
Major Construction / Acquisition Projects					
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	
\$500,000					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Equipment/Technology	\$ -	\$ -	\$	-	
Debt Issuance for Loans and Grants					
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	
Total All Debt Issuance					
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
Grand Total 2023-25	\$ 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			
Major Construction / Acquisition Projects					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Major Construction	\$	-	\$	-	-
Equipment/Technology Projects over \$500,000					
General Fund Repayment	\$	\$	\$	-	GF
Lottery Funds Repayment				-	LF
Other Funds Repayment				-	OF
Federal Funds Repayment				-	FF
Total for Equipment/Technology	\$	-	\$	-	-
Debt Issuance for Loans and Grants					
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	-
Total All Debt Issuance					
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
Grand Total 2025-27	\$	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).

<u>Use of Bond Proceeds</u>	<u>Bond Type</u>		<u>Totals by</u>			
	<u>General Obligation</u>	<u>Revenue Bonds</u>	<u>Repayment Source</u>			
	<u>Bonds</u>					
Major Construction / Acquisition Projects						
General Fund Repayment	\$	\$	\$	-	GF	
Lottery Funds Repayment				-	LF	
Other Funds Repayment				-	OF	
Federal Funds Repayment				-	FF	
Total for Major Construction	\$	-	\$	-		
Equipment/Technology Projects over \$500,000						
General Fund Repayment	\$	\$	\$	-	GF	
Lottery Funds Repayment				-	LF	
Other Funds Repayment				-	OF	
Federal Funds Repayment				-	FF	
Total for Equipment/Technology	\$	-	\$	-		
Debt Issuance for Loans and Grants						
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	
Total All Debt Issuance						
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
Grand Total 2027-29	\$	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
115	Santiam Facility Replacement	\$2,500,000	0/0.00
Total Packages:		\$4,000,000	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	
Other Funds	\$1,500,000	\$1,500,000	
Federal Funds	\$0	\$0	
All Funds	\$1,500,000	\$1,500,000	
Position/FTE:	0/0.00	0/0.00	

Package 115-Santiam Facility Replacement

Purpose: This policy option package supports the needed investment to facilitate the replacement of the North Cascade District HQ's Santiam Administration Office building 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	
Other Funds	\$2,500,000	\$2,500,000	
Federal Funds	\$0	\$0	
All Funds	\$2,500,000	\$2,500,000	
Position/FTE:	0/0.00	0/0.00	

Executive Summary

Long-term focus area impacted by the program

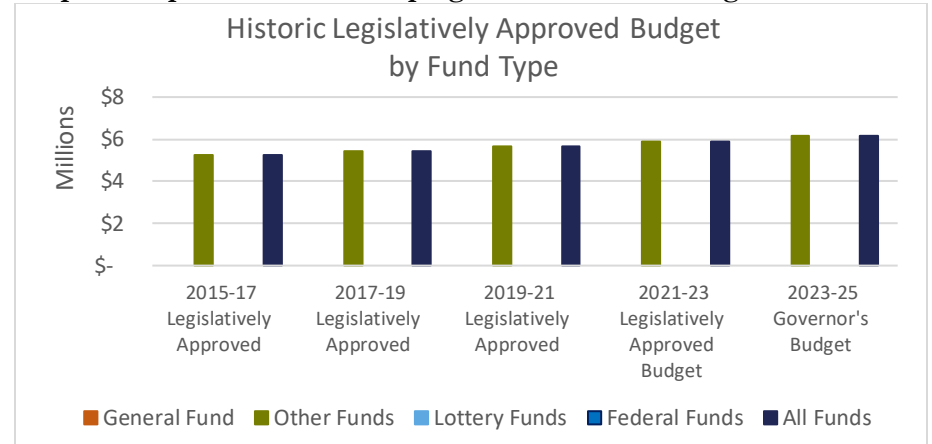
Primary outcome area:

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

Primary program contact

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Graphical representation of the program unit's funds budget over time



Facilities Maintenance & Management Narrative

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.

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

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.

Facilities Maintenance & Management Narrative

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.

Essential Packages

Pkg 031-Standard Inflation

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
092	Statewide AG Adjustment	\$52	0/0.00
Total Packages:		\$52	0/0.00

Package Narrative

Package 092-Statewide AG Adjustment

Purpose: This package reduces Attorney General rates by 4.62 percent to reflect adjustments in the Governor’s Budget

Staffing impact: None.

Revenue source:

	<u>Agency Request Budget</u>	<u>Governor’s Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$0	\$0	
Other Funds	\$0	\$52	
Federal Funds	\$0	\$0	
All Funds	<u>\$0</u>	<u>\$52</u>	
Position/FTE:	0/0.00	0/0.00	

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

	1	2019-21 Actual	2021-23 LAB	2023-25 Budgeted	2025-27 Budgeted
Personal Services (PS) Operations and Maintenance					
Services and Supplies (S&S) Operations and Maintenance		\$ 1,089,401.00	\$ 3,389,247.00	\$ 3,389,247.00	\$ 3,528,206.13
Utilities not included in PS and S&S above		\$ 2,028,147.00	\$ 3,574,205.00	\$ 3,574,205.00	\$ 3,720,747.41
Total O&M		\$ 3,117,548.00	\$ 6,963,452.00	\$ 6,963,452.00	\$ 7,248,953.53
O&M \$/SF		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.

	2	General Fund	Lottery Fund	Other Funds	Federal Funds
O&M Estimated Fund Split Percentage %		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

	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.)
Priorities 1-3 - Currently, Potentially and Not Yet Critical		\$ 26,736,859	\$ 69,460,724	\$ 3,063,222	\$ 6,260,229
Priority 4 - Seismic & Natural Hazard	7	\$ -	\$ -		
Priority 5 - Modernization	8				
Total Priority Need		\$ 26,736,859	\$ 69,460,724	\$ 3,063,222	\$ 6,260,229
Facility Condition Index (Priority 1-3 Needs/CRV)	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)	Replaced outdated ACCESS database with the iPlan™ platform (new software TBD by DAS)	Provide narrative
Process/Software for deferred maintenance/renewal	iPlan™ (new software TBD by DAS)	Provide narrative
Process for funding facilities maintenance	Policy Option Packages (POPs)	Provide narrative