

STATE BOARD OF LAND COMMISSIONERS

March 18, 2025

Regular Agenda

Subject

Modernizing Wildland Fire Operations Facilities: Seek Concurrent Resolution

Question Presented

Shall the Land Board authorize the Department to seek a Concurrent Resolution to enter into site-specific project agreements with the Idaho State Building Authority (ISBA) to provide financing to construct or upgrade fire operations facilities at select locations across the state?

Background

The Idaho Department of Lands (Department) has identified a need to modernize fire operations facilities in every region of Idaho. Three options for funding the project were identified and evaluated: Idaho Permanent Building Funds capital improvement project, line-item enhancement budget appropriation, and the ISBA. The Department recommends partnering with the ISBA to develop fire operations facilities.

In February, the Department presented to the State Board of Land Commissioners (Land Board) a proposal to investigate the feasibility of partnering with the ISBA to modernize fire operations facilities. An updated proposal is included as Attachment 1.

Discussion

The Department is proposing to partner with the ISBA to develop site-specific agreements to make significant upgrades to fire operations facilities at nine locations strategically located in every region of Idaho. None of the proposed developments will be on Endowment ownership.

Based on currently available information, the cost estimate is approximately \$45,000,000-\$50,000,000 including hard and soft costs (\$42,000,000), 15% contingency, and financing procurement. The project will be split into two phases. Construction of the first phase of the project is estimated to cost \$28,000,000. Construction of the second phase of the project, which includes the development of facilities in Idaho Falls and upgrades to the Coeur d'Alene Fire Cache, is estimated to cost \$14,000,000. The total cost of the project, including financing and related lease payments, is difficult to predict with any certainty because of the variation in bond rates that are available at the time the bonds are offered.

Costs for construction (hard costs, including labor, equipment, and materials) were derived using the bid price for the St. Joe Fire Operations Center currently under construction and adjusted for inflation (inflation assumed to be 3.72% annually based on the Turner Cost Index) on a per square foot basis with an assumed construction date of 2027 for Phase I of the project and 2031 for Phase II. Soft costs (e.g. survey, testing, soil reports, commissioning, design contingency, advertising, plan review, etc.) were assumed to be 40% of the adjusted construction cost.

Planned developments range in size from 5,120 square feet (multiple locations) to 7,600 square feet (Ponderosa Forest Protective District) and are based on needs identified in the Department's strategic fire planning process that will be reviewed at the April 2025 Land Board meeting.

The Department's general counsel reviewed this proposal and identified no legal issues with seeking a concurrent resolution from the Legislature to authorize the Department to work with ISBA to identify suitable project locations and develop site-specific project agreements, with the understanding that additional legal analysis will be conducted on the specific terms of each respective site-specific agreement prior to execution.

A concurrent resolution by the Legislature is required pursuant to Idaho Code § 67-6410 to allow a state agency to work with the ISBA to develop site-specific agreements for ISBA to finance and construct facilities. Additionally, ISBA must find that the development will be of public use and will provide a public benefit. Once a final site-specific agreement is approved and executed, the ISBA will issue tax-free bonds to finance the project. As developments are completed, the ISBA will lease the facilities to the Department upon occupancy of the facilities. The lease will be paid from Department appropriated funds. No land bank funds will be utilized for the lease payments. Once the bonds are satisfied, ownership of the facilities reverts to the State.

The proposed concurrent resolution does not commit the Department to any expenditures, rather it provides an opportunity for the Department to work with the ISBA to develop site specific proposals, timelines, and improved cost estimates that will then be presented to the Land Board for approval. Only after Land Board review and approval will the Department move forward with incorporating the necessary ongoing line item budget enhancement request to satisfy payments associated with the lease obligation. If time allows the Department will seek to attain the concurrent resolution this 2025 legislative session to be able to present the Land Board with the option of moving forward with the proposed developments prior to seeking Land Board approval of the Department's proposed FY 2027 budget request.

The Department believes that partnering with the ISBA to finance and develop fire operations facilities is a strategically sound decision. It supports the Department's mission to protect lives, property, and natural resources while addressing the urgent need for enhanced wildland firefighting infrastructure.

Recommendation

Authorize the Department to seek a Concurrent Resolution from the Legislature allowing the Department to work with the ISBA to develop site-specific agreements with the ISBA to provide financing to construct or upgrade fire operations facilities at select locations across the state.

Board Action

Attachments

1. Proposal: Modernizing Wildland Fire Operations Facilities

Modernizing Wildland Fire Operations Infrastructure: A Proposal to Support Idaho's Fire Management Program



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Initial Planning Process- Presented 3 Options in February

Alternative 1:

Continue present course
(apply for PBFAC funding).

Alternative 2:

Seek appropriation for
facilities construction.

Alternative 3:

ISBA partnership.

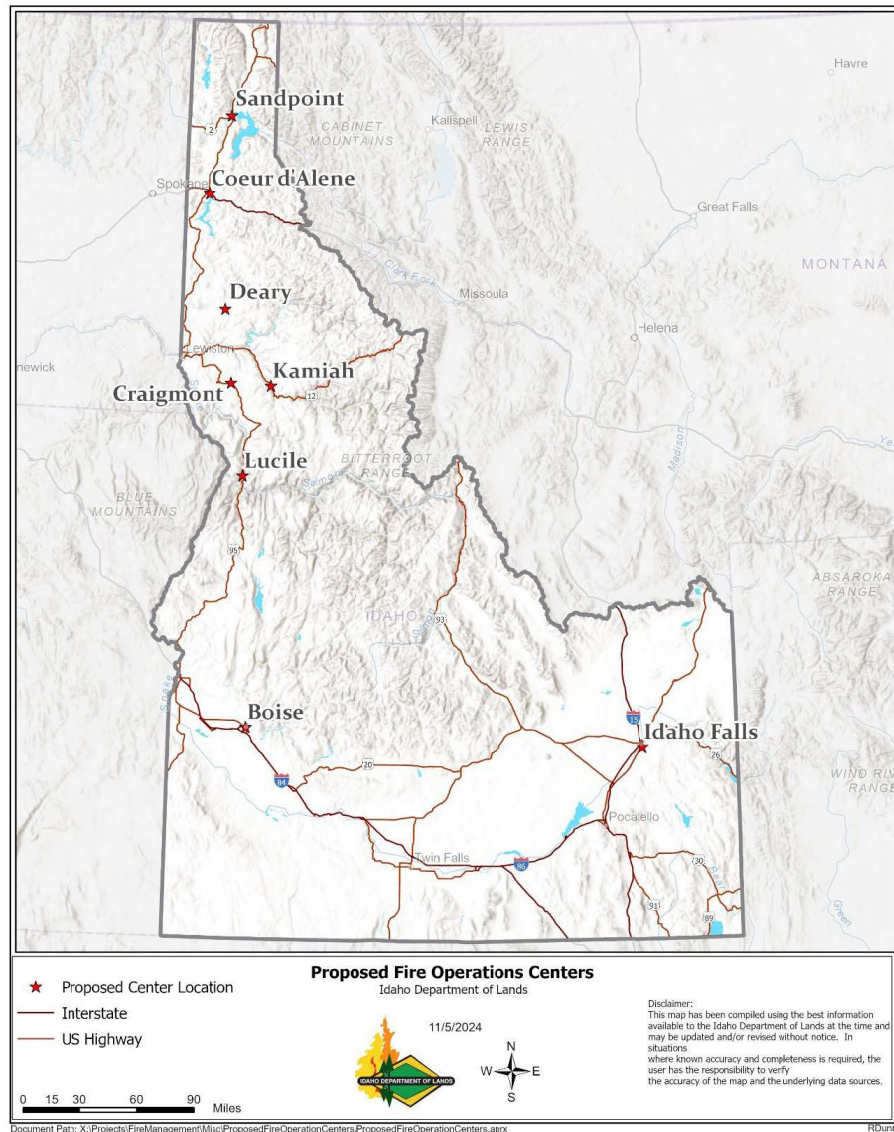


Preferred Alternative

Partner with the Idaho State Building Authority to develop fire facilities in each region of Idaho. None of the planned facilities would be located on Endowment ownership.

Protection Districts with Highest Need

- Eastern Idaho*
- Remote Station (SRC)
- Ponderosa
- Southwest
- Craig Mountain
- Heli-tack
- Maggie Creek
- Pend Oreille Lake
- CDA Cache
- *Eastern Idaho will be second phase due to Hwy. 26 reroute





Estimated Cost

- \$42 million
- Includes hard and soft costs
- Construction to be completed in 2031
- Lease payments begin upon occupancy
- Lease to be paid from Agency appropriation

Next Steps

March 2025	Request Land Board Approval to Pursue CR
↓	
April 2025	Concurrent Resolution Passed
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Q2/3 2025	Develop Action Plan and Financials w/ ISBA
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Q3 2025	Include Ongoing Enhancement Request Line Item for Lease Payment in FY27 Budget
↓	
August 2025	Update Land Board on ISBA / Project Status
↓	
August 2025	FY27 Budget to Land Board for Approval
↓	
Q1 2026	Legislative Approval of FY27 Budget
↓	
Q2 2026	Select Construction Manager / General Contractor
↓	
Q2 2026	Project Initiation

Summary

- The Department has identified its immediate facilities needs across Idaho to meet current fire management responsibilities
- All new facilities will be located on non-endowment land
- The Department recommends partnering with ISBA to develop fire operations facilities
- Project has an estimated cost of \$42 million to be financed by issuing tax-free bonds
- Lease will be paid by annually appropriated Department funds
- Department is seeking authorization to pursue a Concurrent Resolution to partner with the ISBA

Thank you