

ALASKA LEGISLATURE

1382

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

12/8

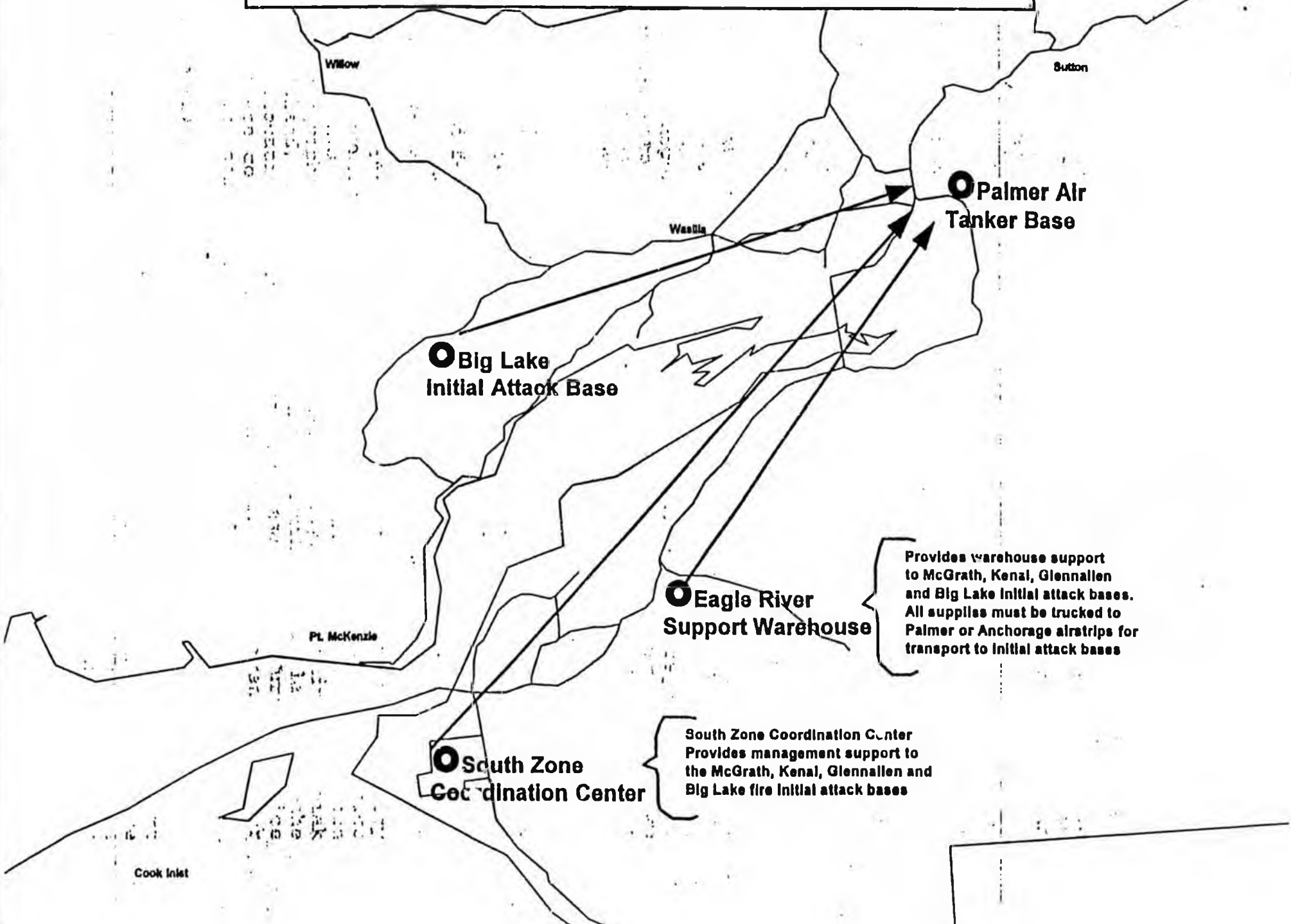
HB

352

HFIN

FILE

South Central Facility Consolidation



● **Big Lake Initial Attack Base**

● **Palmer Air Tanker Base**

● **Eagle River Support Warehouse**

Provides warehouse support to McGrath, Kenai, Glennallen and Big Lake Initial attack bases. All supplies must be trucked to Palmer or Anchorage airstrips for transport to initial attack bases

● **South Zone Coordination Center**

South Zone Coordination Center Provides management support to the McGrath, Kenai, Glennallen and Big Lake fire Initial attack bases

Willow

Sutton

Westia

PL McKenzie

Cook Inlet

South Zone Facilities Consolidation Proposed Lease Finance at Palmer Airport



Alaska Department of
**NATURAL
RESOURCES**

February 1996

Remember, Only YOU



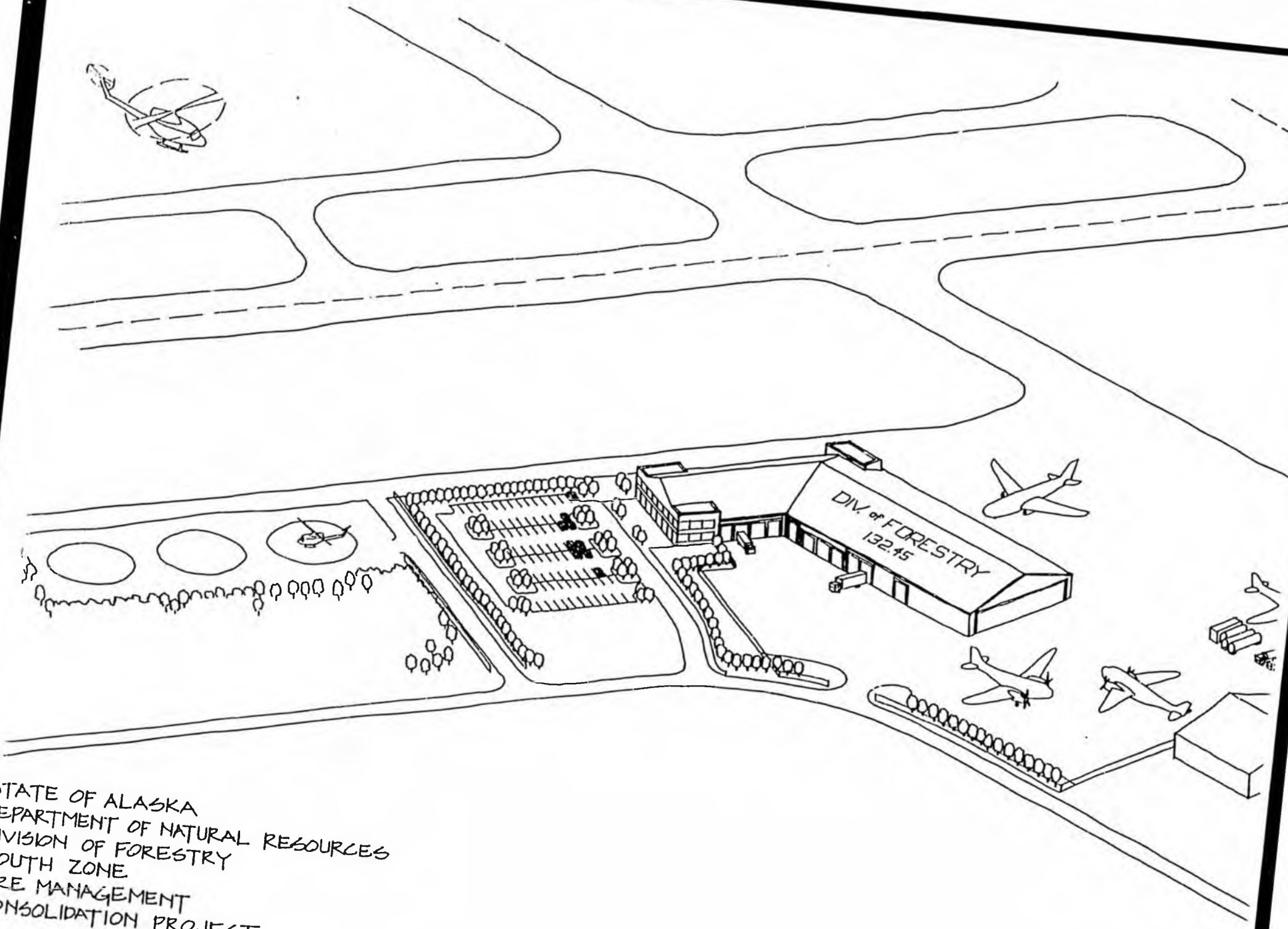
Can Prevent Forest Fires

SOUTH ZONE CONSOLIDATION PROJECT

**Proposed Lease Finance
for Fire Management
Facility**

**State of Alaska
Department of Natural Resources
Division of Forestry**

February 1996



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
SOUTH ZONE
FIRE MANAGEMENT
CONSOLIDATION PROJECT

EXECUTIVE SUMMARY

STATE DIVISION OF FORESTRY WILDLAND FIRE PROGRAM SOUTH ZONE FACILITY CONSOLIDATION

The State Division of Forestry (DOF) is proposing to consolidate four wildland fire facilities to cut cost and increase efficiency. This would involve centralizing the Eagle River Fire Facility (warehouse & equipment shop), Big Lake Area Office & Initial Attack Base, Anchorage Fire Coordination Center (South Zone), and the Palmer Air Tanker Base.

- * Declining budgets require maximizing operational efficiency. The present scattered facilities are inefficient and require extra coordination.
- * DOF proposes a Lease Finance approach to build a new centralized facility
- * The new consolidated facility would provide...
 - * a logistics office to coordinate the delivery of supplies, equipment, and personnel to wildland fires,
 - * a warehouse for fire-fighting supplies and their rapid distribution via the road system or by air cargo to remote locations,
 - * the Anchorage Mat-Su Area Office with a convenient location to better serve the public. This office issues permits for brush burning, firewood/house logs and provides resources information to the public.
 - * a base for fire-fighting trucks and aircraft,
 - * a site for fire retardant storage, mixing, and loading of heavy air tanker aircraft.
 - * The new facility would provide service to the 108 million acre South Zone that encompasses most of Southcentral & Southwest Alaska or about thirty percent of the state. This area includes the following State House Voting Districts 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, & 16 and the following Senate Voting Districts, C, D, E, F, G, H, I, J, K, M, N, and parts of R & T.
- * The Palmer Airport site has available undeveloped land, a 6,000 foot paved runway, community services, commercial support options, and is centrally located in the wildland fire protection area.
- * The proposed facility construction is initially estimated to cost \$8 million dollars. This consolidation has a net present value savings of \$1,956,662.81 and is anticipated to save approximately \$8,538,075.81 in operating costs over the next nineteen years, and the State will own the facility at the end of the lease term.

NET DEBT SERVICE

Palmer, Alaska COP's - Alaska Div. of Forestry
Wildland & Fire Prog. South Zone Facility Consol.

Date	Total Debt Service	Capitalized Interest	Net Debt Service
Feb 1, 1997	157,512.50	157,512.50	-
Aug 1, 1997	157,512.50	157,512.50	-
Feb 1, 1998	157,512.50	157,512.50	-
Aug 1, 1998	157,512.50	157,512.50	-
Feb 1, 1999	157,512.50	-	157,512.50
Aug 1, 1999	412,512.50	-	412,512.50
Feb 1, 2000	152,476.25	-	152,476.25
Aug 1, 2000	417,476.25	-	417,476.25
Feb 1, 2001	147,043.75	-	147,043.75
Aug 1, 2001	427,043.75	-	427,043.75
Feb 1, 2002	141,163.75	-	141,163.75
Aug 1, 2002	431,163.75	-	431,163.75
Feb 1, 2003	134,928.75	-	134,928.75
Aug 1, 2003	439,928.75	-	439,928.75
Feb 1, 2004	128,218.75	-	128,218.75
Aug 1, 2004	443,218.75	-	443,218.75
Feb 1, 2005	121,131.25	-	121,131.25
Aug 1, 2005	451,131.25	-	451,131.25
Feb 1, 2006	113,541.25	-	113,541.25
Aug 1, 2006	458,541.25	-	458,541.25
Feb 1, 2007	105,433.75	-	105,433.75
Aug 1, 2007	470,433.75	-	470,433.75
Feb 1, 2008	96,582.50	-	96,582.50
Aug 1, 2008	481,582.50	-	481,582.50
Feb 1, 2009	87,053.75	-	87,053.75
Aug 1, 2009	487,053.75	-	487,053.75
Feb 1, 2010	76,953.75	-	76,953.75
Aug 1, 2010	501,953.75	-	501,953.75
Feb 1, 2011	66,010.00	-	66,010.00
Aug 1, 2011	511,010.00	-	511,010.00
Feb 1, 2012	54,328.75	-	54,328.75
Aug 1, 2012	524,328.75	-	524,328.75
Feb 1, 2013	41,873.75	-	41,873.75
Aug 1, 2013	536,873.75	-	536,873.75
Feb 1, 2014	28,756.25	-	28,756.25
Aug 1, 2014	553,756.25	-	553,756.25
Feb 1, 2015	14,712.50	-	14,712.50
Aug 1, 2015	564,712.50	-	564,712.50
	10,410,492.50	630,050.00	9,780,442.50

Present Value of On-going Expenditures

Date	Future Value Amount	Present Value Amount	Present Value Amount	Present Value Amount
	@ 4.85%	@ 4.50%	@ 5.00%	@ 5.50%
01/01/99	282,900.00	277,702.75	277,138.20	276,576.17
01/01/00	296,620.65	278,497.94	276,577.66	274,675.25
01/01/01	311,006.75	279,295.40	276,018.25	272,787.40
01/01/02	326,090.58	280,085.15	275,459.98	270,912.52
01/01/03	341,905.97	280,897.19	274,902.83	269,050.53
01/01/04	358,488.41	281,701.52	274,346.81	267,201.34
01/01/05	375,875.10	282,508.16	273,791.91	265,364.85
01/01/06	394,105.04	283,317.10	273,238.14	263,540.99
01/01/07	413,219.14	284,128.37	272,685.49	261,729.68
01/01/08	433,260.26	284,941.95	272,133.95	259,930.79
01/01/09	454,273.39	285,757.87	271,583.53	258,144.27
01/01/10	476,305.65	286,576.12	271,034.23	256,370.04
01/01/11	499,406.47	287,396.72	270,486.03	254,608.00
01/01/12	523,627.68	288,219.66	269,938.94	252,858.07
01/01/13	549,023.63	289,044.96	269,392.96	251,120.16
01/01/14	575,651.27	289,872.63	268,848.09	249,394.21
01/01/15	603,570.36	290,702.66	268,304.31	247,680.11
01/01/16	632,843.52	291,535.07	267,761.64	245,977.80
01/01/17	663,536.43	292,369.87	267,220.06	244,287.18
01/01/18	695,717.95	293,207.05	266,679.58	242,608.19
01/01/19	729,460.27	294,046.63	266,140.20	240,940.73
01/01/20	764,839.09	294,888.62	265,601.90	239,284.74
01/01/21	801,933.79	295,733.02	265,064.69	237,640.13
01/01/22	840,827.58	296,579.83	264,528.57	236,006.82
01/01/23	881,607.72	297,429.07	263,993.53	234,384.74
01/01/24	924,385.69	298,280.75	263,459.58	232,773.80
01/01/25	969,197.43	299,134.86	262,928.70	231,173.94
01/01/26	1,016,203.50	299,991.41	262,394.91	229,585.07
01/01/27	1,065,489.37	300,850.42	261,864.19	228,007.13
01/01/28	1,117,165.61	301,711.89	261,334.54	226,440.02
	18,318,518.31	8,686,414.64	8,074,851.42	7,521,054.63

Present Value of Net Debt Service

Date	Future Value Amount	Present Value Amount	Present Value Amount	Present Value Amount
		@ 4.50%	@ 5.00%	@ 5.50%
02/01/99	157,512.50	154,046.45	153,670.73	153,296.84
08/01/99	412,512.50	394,557.66	392,635.34	390,727.03
02/01/00	152,476.25	142,630.45	141,589.36	140,558.37
08/01/00	417,476.25	381,925.37	378,212.88	374,545.39
02/01/01	147,043.75	131,561.85	129,965.25	128,391.84
08/01/01	427,043.75	373,673.65	368,238.49	362,895.34
02/01/02	141,163.75	120,803.63	118,756.16	116,748.25
08/01/02	431,163.75	360,857.48	353,876.17	347,046.44
02/01/03	134,928.75	110,442.10	108,041.26	105,698.30
08/01/03	439,928.75	352,167.42	343,671.64	335,400.76
02/01/04	128,218.75	100,381.62	97,721.25	95,137.43
08/01/04	443,218.75	339,358.18	329,557.91	320,063.51
02/01/05	121,131.25	90,705.39	87,871.08	85,131.91
08/01/05	451,131.25	330,382.08	319,277.85	308,572.55
02/01/06	113,541.25	81,321.23	78,396.32	75,583.36
08/01/06	458,541.25	321,192.46	308,864.62	297,077.06
02/01/07	105,433.75	72,227.61	69,290.54	66,479.62
08/01/07	470,433.75	315,180.09	301,626.08	288,665.87
02/01/08	98,582.50	63,264.22	60,415.03	57,662.45
08/01/08	481,582.50	308,606.00	293,895.61	279,920.10
02/01/09	87,053.75	54,557.92	51,830.61	49,245.78
08/01/09	487,053.75	298,527.21	282,912.32	268,149.27
02/01/10	78,953.75	46,128.94	43,609.48	41,233.26
08/01/10	501,953.75	284,266.72	277,517.66	261,757.66
02/01/11	66,010.00	37,846.60	35,605.17	33,501.48
08/01/11	511,010.00	286,536.62	268,911.20	252,407.24
02/01/12	54,328.75	29,793.41	27,892.37	26,116.82
08/01/12	524,328.75	281,210.03	262,624.62	245,308.40
02/01/13	41,873.75	21,963.71	20,462.08	19,066.40
08/01/13	538,873.75	275,405.54	255,950.63	237,912.50
02/01/14	28,756.25	14,426.78	13,374.96	12,402.11
08/01/14	553,756.25	271,701.79	251,279.28	232,434.22
02/01/15	14,712.50	7,059.88	6,513.27	6,010.16
08/01/15	564,712.50	265,017.55	243,902.35	224,514.90
02/01/16	0.00	0.00	0.00	0.00
08/01/16	0.00	0.00	0.00	0.00
	9,780,442.50	6,729,751.83	6,477,979.16	6,239,702.81

STATEMENT OF ASSUMPTIONS

Palmer, Alaska COP's - Alaska Div. of Forestry
Wildland & Fire Prog. South Zone Facility Consol.

Bond Component Information - Serial Bonds Maturing 8/1/99 - 2016

Dated Date 8/01/1996
 Delivery Date 8/01/1996
 First Interest Payment Date 2/01/1997
 Interest Frequency Semiannual
 Interest Day Basis 30/360
 Interest Payment Option Paid until Maturity Date
 Serial/Term selection Serial Bond (Price to Actual Maturity)

Bond Component Maturity Data

Maturity Date	Issue Amount	Interest Rate	Yield	Price	Issuance Denomination
8/01/1999	255,000.00	3.950%	3.950%	100.000	5,000.00
8/01/2000	265,000.00	4.100%	4.100%	100.000	5,000.00
8/01/2001	280,000.00	4.200%	4.200%	100.000	5,000.00
8/01/2002	290,000.00	4.300%	4.300%	100.000	5,000.00
8/01/2003	305,000.00	4.400%	4.400%	100.000	5,000.00
8/01/2004	315,000.00	4.500%	4.500%	100.000	5,000.00
8/01/2005	330,000.00	4.600%	4.600%	100.000	5,000.00
8/01/2006	345,000.00	4.700%	4.700%	100.000	5,000.00
8/01/2007	365,000.00	4.850%	4.850%	100.000	5,000.00
8/01/2008	385,000.00	4.950%	4.950%	100.000	5,000.00
8/01/2009	400,000.00	5.050%	5.050%	100.000	5,000.00
8/01/2010	425,000.00	5.150%	5.150%	100.000	5,000.00
8/01/2011	445,000.00	5.250%	5.250%	100.000	5,000.00
8/01/2012	470,000.00	5.300%	5.300%	100.000	5,000.00
8/01/2013	495,000.00	5.300%	5.300%	100.000	5,000.00
8/01/2014	525,000.00	5.350%	5.350%	100.000	5,000.00
8/01/2015	550,000.00	5.350%	5.350%	100.000	5,000.00
6,445,000.00					

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Goal (Proposal)

Consolidate the South Zone Anchorage Office, the Big Lake Area Office, the Palmer initial attack trailer, the Palmer dispatch office, and the Eagle River Warehouse and Shop function into one facility located at Palmer Municipal Airport.

Increase operational efficiencies that will position Forestry to more effectively meet anticipated budget decreases in the future.

It is the intent of this proposal to capitalize on current relatively low interest rates while obtaining an adequate facility that the state will ultimately own as a net gain.

INTRODUCTION

AS:41:15:010 requires the Department of Natural Resources to protect State, Private and Municipal land from wildland fires. The state and federal fire management agencies have split the state in half, with the state protecting fire-prone lands in the southern half of the state and the federal government protecting fire-prone lands in the northern part of the state regardless of ownership. This cooperative approach to statewide fire management with the federal sector avoids costly duplication of suppression resources and is the most cost-effective approach to providing protection services.

Most of the state's area of responsibility encompasses high value, populated areas and marketable natural resources. Fires threaten these areas annually during spring, summer and fall. The state is responsible for approximately 134 million acres, including the road net, the rail belt and the major urban areas where 70 percent of Alaska's residents live.

Because of the large area the state protects, the Division of Forestry has divided the protection responsibility into two Fire Management Zones. Each zone supervises the fire control activities of several smaller administrative offices. The South Zone, headquartered in Anchorage, is responsible for oversight of all activities for the Anchorage, Mat-Su, Kenai-Kodiak, Valdez-Copper River, Haines, and the Southwest Area offices. Northern Zone, located in Fairbanks, oversees the Fairbanks, Delta and Tok Area offices.

The Division has consolidated its logistics, and warehousing into statewide operations as part of restructuring brought about by budget reductions. This restructuring has added additional responsibility to the two zone offices in managing statewide fire operations. The two offices currently work out of several locations including older buildings with inadequate office space. There are some significant cost savings and built-in efficiencies by consolidating the operation and functions of the two offices into modern, manageable facilities and a centralized location.

South Zone Consolidation

Why Project is Needed: (Current Situation)

There are two objectives of the fire program consolidation project: The first is to combine all of the South Zone fire management program functions including aviation, Palmer Base retardant site, Eagle River equipment shop and warehouse, logistics and management into a centrally located facility. The second objective is to provide a more publicly accessible work location for the Anchorage Mat-Su Area Office, currently located at Big Lake.

Consolidating the South Zone fire management functions at a central location will significantly improve the overall management of the South Zone key program components (warehousing, logistics, equipment maintenance and aviation). It is anticipated that major improvements in coordination will occur, duplication of tasks will be eliminated, travel time will be reduced, the number of accidents will be lowered, and productivity will be improved significantly (along with employee morale). Currently, the functional units are scattered between the Frontier Building, Eagle River and Palmer. This has made supervision, communications and coordination between the offices a real challenge.

The Anchorage/Mat-Su Area office (AMSAO) will benefit in the same ways as the Zone office (outlined above). The public will benefit immensely from improved access to the office. Both the fire and resource management programs will be more accessible. The current location, which is 8.2 miles off the Parks Highway, has been very unpopular with the public and marginally accessible during part of the winter. It is actually located past the cut-off for state road maintenance.

The South Zone maintains offices and facilities in Anchorage (at the Frontier Building), Eagle River (off the frontage road near Hiland Road), and Palmer (airport) to carry out its obligation to provide wildland fire protection services. Anchorage Mat-Su Area maintains offices and facilities in Big Lake and Palmer to provide fire control activities in its protection area. Response from these facilities are primarily to human caused fires in the populated urban interface areas of Southcentral Alaska. Office and facility purpose are summarized as follows:

Anchorage (Frontier Building)

This office provides zone-wide program direction, policy guidance, management of fire support facilities, and contract administration. This is the coordination point between the geographic areas of the Mat-Su Valley, Kenai Peninsula-Kodiak Island, Copper River Basin and Southwestern Alaska for the allocation of suppression resources. Current office space costs \$2.15 per square foot. Lease arrangements for this space have been renewed until January 2000. The required approval for marketing certificates, design, and construction will take approximately 2 years to complete. Phased occupancy to avoid fire season and seasonal workload peaks would result in occupancy by March 1999. Historically, lease space in the Frontier Building has been in high demand.

Eagle River

South Zone maintains a warehouse and shop facility to support area field operations. Additional equipment and supplies are routinely transported as air cargo when fire activity exceeds the limited capabilities of area field office warehouses. An average of 500,000 pounds of cargo is moved from this facility each year.

Because the facility is not located adjacent to a major airport, tools, supplies, food and equipment must be transported by vehicle to and from an airport. Anchorage International Airport is 18 miles from the facility. The Palmer Airport is 30 miles away and is often used as the departure point because airtankers can be more safely based in less congested airspace. Security at Eagle River has historically been a problem due to its isolated location. An estimate of the value of lost, stolen and damaged equipment, facilities and other miscellaneous items is \$15.0 per year. Current inventory value of the equipment and supplies housed at the facility is \$1.5 million. The equipment repair shop at Eagle River maintains fire vehicles, pumps, saws, and other fire related equipment to support the areas in South Zone.

Palmer

South Zone maintains a dispatch center and air attack base located at Palmer Municipal Airfield. The site is essential to the division's capability to provide air attack and fire retardant aircraft support to fires within the greater Anchorage area, the Mat-Su Valley and the Kenai Peninsula. 44,000 gallons of retardant are delivered and dropped on fires from the site annually. During periods of high fire danger smoke jumpers are also stationed at the base. Ramp space is made available to park rental and contract aircraft. Office space and ramp space for the retardant site are leased from a private vendor.

Anchorage Mat-Su area operates its initial attack engine and helitack operations from the Palmer airport. The area is currently using a surplus trailer house for its operations that is without water or sewer for the firefighters positioned there.

Big Lake

Initial Attack forces (fire engines and helitack) are managed by the Anchorage Mat-Su Area Office located 8.2 miles west of the Parks Highway and 20 miles northwest of Wasilla. The office has poor access for the public and is too isolated for an initial attack base. The current office does not completely meet the Americans for Disabilities Act (ADA) regulations and is too small for the area dispatch/logistics function. The area responded to 100 fires in 1995 and issues 1,025 burning permits annually. The area moved its helitack operations to the Palmer Airport in 1993.

Management of wildland fires is difficult enough without the added burden of inadequate facilities. The Anchorage Mat-Su Area could serve the 49,000 residents of the protection area better if dispatch/logistics and initial attack operations were consolidated at the Palmer Airport. It may be prudent to move the entire area operation to Palmer to facilitate better service to the public.

The South Zone Office needs to consolidate its operations from three locations to one. This move will aid in the management of the zone's activities and will be more cost effective. The building of one facility at Palmer will enable both the zone and area office to operate more efficiently and serve the public better.

Project Support/Position

The public and employees who use the facilities will support consolidation. The City of Palmer is supportive as it would increase the local market to supply fire fighting commodities, provide additional job opportunities and increase use of local restaurants and motels. A DOF analysis provides a more in-depth look at the impact on the Palmer economy. A copy of the summary is included in the appendix labeled as "Expenditure Potential for Palmer and Vicinity". A breakdown of the dollars is as follows (thousands of dollars):

Personal Services	\$1,623.0
Travel	56.6
Contractual	523.6
Supplies	127.8
Equipment	79.9
TOTAL	\$2,410.9

It is readily apparent that the DOF consolidation will increase the State's economic contribution to the Palmer economy.

Additional Support: Because the division provides fire protection on lands in federal ownership on a reimbursable basis, the federal government will support the lowered cost of suppression support expenses. No opposition is anticipated.

Structure Fire Districts and the Municipality of Anchorage will support the project. The division provides helicopter and retardant support to these organizations through agreements. Improved operations within the division translates into an improved ability to support joint fire suppression operations.

Anticipated Cost Savings

There are some notable cost savings that will be realized, besides the intangible benefits outlined under general impacts (above). The following areas were considered in some detail:

1. **Shipping/Freight Handling Costs:** Consolidation may not seem to result in much of a savings in this area. However, if incoming freight is shipped FOB Palmer, there could be considerable savings in handling and freight costs.

2. **Risk Management Charges:** A savings will be realized in risk management charges which are incurred for each facility. This will result in the following savings (thousands of dollars):

Eagle River Warehouse & Shop	\$3.6
Big Lake Facility	<u>.4</u>
TOTAL	\$4.0

3. **Reduced Employee (EFF) Costs:** Some reduction in the number of employees is anticipated. Two expeditors (drivers) would not be needed at South Zone as often due to the consolidated work location. This could result in a savings of about \$20.0 thousand annually. An additional EFF (emergency firefighter) employee could be eliminated at Big Lake for a savings of about \$10.0.

4. **Reduced Vehicle Requirements:** A minor reduction in the fleet size is anticipated. An estimated \$2.4 thousand will be realized at South Zone, and \$1.2 at Big Lake for a combined savings of \$3.6.

5. **Facilities Maintenance:** A significant savings in facilities maintenance will be realized. Both the Big Lake facility and the Eagle River facility have required significant upgrades and continuous high cost maintenance. Savings realized:

<u>Big Lake Facility</u>	
Janitorial Services	\$.8
Snowplowing .....	.5
Other Snow Removal Costs .....	.2
Commodities (light bulbs, supplies, etc.) .....	.8
Lumber, Electrical & Plumbing supplies	2.5
Septic Pumping .....	.6
Paint and Finishing Supplies .....	.6
Pipe & Sewer Thawing .....	.3
Carpet Cleaning .....	.2
Landfill Fees .....	.2
Equipment Replacement	1.0
Gas & Equipment Supplies	<u>.4</u>
TOTAL	\$ 8.1

Eagle River Facility

Janitorial Supplies	\$.2
Snowplowing	1.5
Other Snow Removal Costs .....	.4
Commodities (light bulbs, supplies, etc.)	2.7
Lumber, Electrical & Plumbing supplies	6.0
Septic Pumping .....	.6
Paint and Finishing Supplies .....	.6
Pipe & Sewer Thawing	1.0
Parts and Supplies	3.7
Landfill Fees .....	.6
Equipment Replacement .....	.5
Gas & Equipment Supplies	<u>.4</u>
TOTAL	\$20.2

6. Underground Storage Tank Facilities: The fuel tank mitigation costs are for underground fuel storage, which is currently not regulated by EPA or DEC for replacement. Both indicate that they anticipate regulation in the near future, which will require initial and annual testing. From our experience with aviation fuel and leaking tanks, plus the age of our underground fuel tanks, replacement with above ground tanks is a priority with or without regulation. The cost to remove the tanks would be required with or without the Palmer move, but the replacement costs are for double walled tanks installed to specifications (assuming they are similar to aviation fuel). This may be one of the larger benefits of consolidation. This may save \$20.0 thousand (or more) at Eagle River and Big Lake initially. The reduced exposure from lust events (resulting from having fewer tanks) may be more significant but difficult to assess in dollar value. Fuel spills have cost other agencies hundreds of thousands of dollars and the opportunity to sidestep this risk is very attractive. The in-place fuel vendors at Palmer Airport are very supportive of this proposal.

7. Ramp/Office Space Rental: This will be a savings after the new facilities are completed. Annually, this will save about \$27.0.

8. Aircraft Storage Costs: Eliminating aircraft hangar rental and tie-down charges for FEPP aircraft will save \$28.8 thousand annually.

9. Reduced Office Space Costs in Frontier Building: The South Zone fire management offices currently occupy approximately 4,200 square feet of space at a cost of about \$2.15 per foot per month. A net savings of about \$103.2 thousand per year will be realized.

10. Travel Costs: Costs for travel between the various offices are difficult to estimate, however, a significant gain in overall management efficiency is anticipated.

11. Facilities Upgrade Options: There is one significant facilities upgrade option planned, the Big Lake Area Office, which is currently located in two residential type buildings. A conservative estimate of the replacement cost of the two facilities is \$450.0. This does not include the Palmer Initial Attack Base and Area Shop/Warehouse. Replace all facilities, including out buildings, etc., will cost \$1,759.0 thousand.

12. Total Savings: The following table illustrates the overall savings from consolidation (refer to "Cost Savings" in the Appendix):

Annual savings	\$282.9
FY 99 Savings	24.8
FY 00 Savings	257.5
FY 01 Savings	<u>1,759.0</u>

* PROJECTED 20 YEAR SAVINGS \$7,699.3

*annual savings times 20 years plus FY 99-01 savings

CONSOLIDATED FACILITY NEEDS

Space needs analysis: The DOF completed a space needs analysis for the proposed consolidated facility. A break down of the needs analysis is summarized below. The complete spreadsheet is included in the Appendix, entitled "Initial Space Request".

Administrative Office Space	16,041.2 sq.ft.
MSAO Fire Station (Operations)	7,805.0 "
Maintenance Facility (Shop)	21,885.0 "
Warehouse	9,411.0 "
MSAO Helibase	1,141.0 "
Aviation Office	4,403.0 "
Hangar	18,400.0 "
TOTAL	79,086.2 sq.ft.

The DNR Division of Parks and Outdoor Recreation (DOPOR), Design and Construction Section, completed a purely conceptual sketch of the proposed facility which is included in the appendix. Additional ramp space designed to support heavy aircraft (greater than 12,500 pounds) as well as parking areas for employees and equipment will also be needed. The warehouse and shop will have specialized needs for tractor-trailer parking/loading areas and a small fuel storage area for filling drip torches, pumps, etc., will also be necessary.

It is anticipated that more comprehensive plans and design work will commence upon initial approval of the project. The many details surrounding a proposal of this magnitude will be addressed in that phase of the project.

Cost: Current estimates of the facility cost vary depending on costing out the necessary site improvements, such as the ramp area, parking and other related needs. It is expected that most of these costs can be incorporated into planned airport improvement projects planned for the next few years. A good estimate by local engineers puts the building cost at 6 million dollars.

Anticipated Costs:

Three categories of one-time costs have been identified that would be incurred with a move to a Consolidated Facility. Because of the technical expertise and LTC availability in Forestry, substantial cost savings can be realized. For example, part of Forestry's job is moving items to and from fires - use of existing employees from Labor, Trades and Crafts, as appropriate, with additional temporary help they may require can accommodate some move expenses. Similarly, Forestry and DNR have expertise available in computer installation that could be available.

Moving Costs (\$500. X 37 positions and Misc. Moving)	\$28.5
Phones Move and Installation\$	\$ 5.0
Computer Moving and Installation	<u>\$10.0</u>
TOTAL	\$43.5

CONCLUSION

The consolidated South Zone Fire Management Facility stands on its own as a good business move for the Division of Forestry and the City of Palmer. From a cost savings viewpoint, consolidation appears to be cost effective. More efficient and economic operations will result under consolidated work locations. The intangible benefits may actually outweigh the cost savings benefits. The question should not be "Can we afford this facility?", but one of "How long can we continue to operate in the inefficient manner in which we have been forced to do business?"

CITY OF PALMER, ALASKA

RESOLUTION NO. 1049

A RESOLUTION SUPPORTING ALASKA STATE DIVISION OF FORESTRY CONSOLIDATION PROJECT AT THE PALMER MUNICIPAL AIRPORT.

WHEREAS, the Alaska State Division of Forestry proposes to consolidate its operations from Eagle River, Anchorage, Big Lake, and existing operations at Palmer, and

WHEREAS, the Alaska State Division of Forestry has researched the proposed project and has determined it will increase the overall efficiency and effectiveness of this operation, and

WHEREAS, the Alaska State Division of Forestry has determined that by doing this consolidation it will save in operating expenses \$8.9 million, and

WHEREAS, the City of Palmer does have undeveloped land available at its airport site for a project such as this.

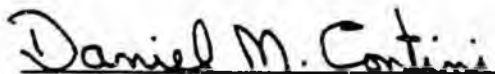
NOW, THEREFORE, BE IT RESOLVED that the City of Palmer supports the Alaska State Division of Forestry proposal to consolidate its operations at the Palmer Municipal Airport site.

BE IT FURTHER RESOLVED that the City of Palmer will work closely with the Division for this project's success including the issuance of "Certificates of Participation" by the City of Palmer and backed by the State of Alaska.

Passed and approved by the Palmer City Council this 28th day of March, 1995.

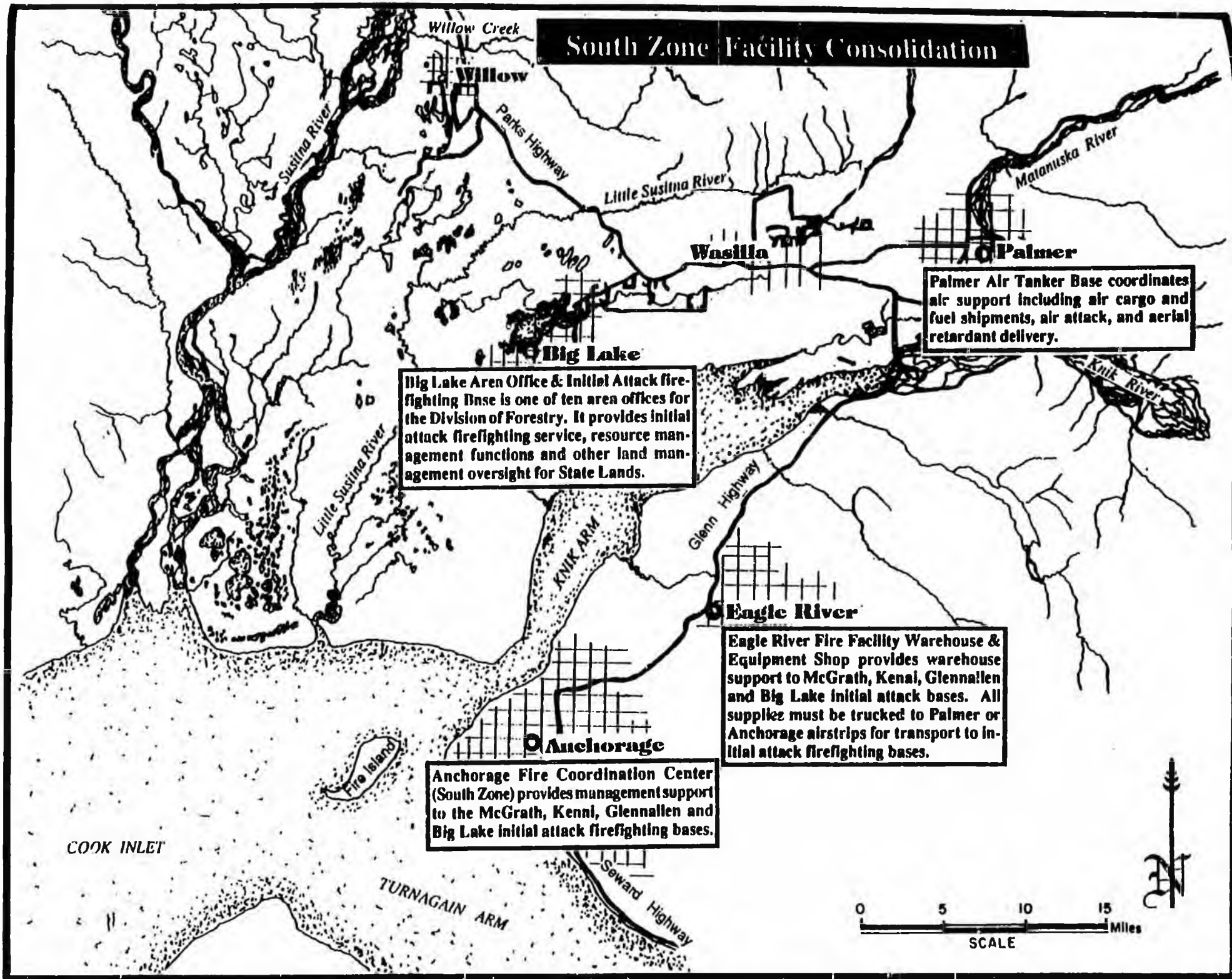


GEORGE W. CARTE, MAYOR



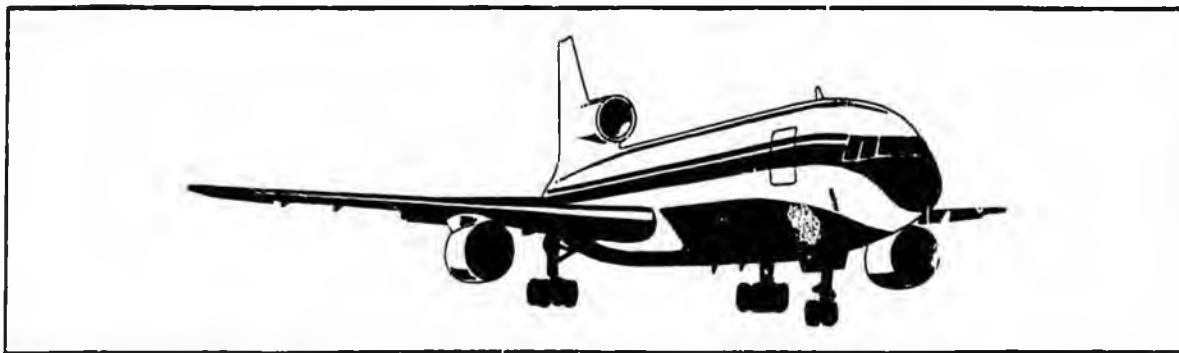
DANIEL M. CONTINI, ACTING CITY CLERK

South Zone Facility Consolidation



0 5 10 15 Miles
SCALE





Palmer Municipal Airport

The Palmer Municipal Airport, 40 road-miles from Anchorage is close to the Glenn Highway and connected by spur to the Alaska Railroad.

Runway #15-33 is 6,000' long by 100' wide and Paved with exit and apron taxiways. Runway #9-27 is 3615' by 100' and is also paved. It has a full parallel taxiway.

There are two apron areas: one on the northwest side which is designed to provide general aviation tie-downs and serves fixed-base operators; the second apron on the south and southwest end of the runway serves heavier cargo operations and industrial operators.

There are 105 tie-down spaces. Transient parking fees are \$2.00 per day. Monthly tie-down fees on pavement are \$15.00. Covered hangar space is available from private operators. Downtown Palmer is 2 miles from the airport.

Developed lots including sewer and water are available for lease from the city of Palmer for \$0.04 per square foot annually. Larger, yet undeveloped areas are also available and will be developed on demand in cooperation with the lessor.

The following Companies are presently located at the Palmer Airport:

HINCHINBROOK CHEVRON
Transient Tie downs & Service
Plug-ins. Preheat
Rental Vehicles
Hangar Space
24-hour credit-card aviation fuel

B&J CUSTOM AIRCRAFT ENGINES
Aircraft Engine Repair

AIRCRAFT PAINTING CENTER
Complete Aircraft Painting Service
Aircraft Maintenance

NUGGET AVIATION
Flight Service. Flight School
Aviation Fuel

WOODS AIR
Air transportation for cargo and passengers
Specialized cargo service.

GALLAGHER ELECTRIC
Electric contracting in rural Alaska

GLACIER AIRCRAFT PARTS

NEW HORIZON CONSTRUCTION

NORTH STAR FUEL

**ALASKA MAN FLIGHT
SERVICE**

SKY PRO FLIGHT SERVICE

EXPENDITURE POTENTIAL FOR PALMER AND VICINITY

CC DESCRIPTIONS

FY95 ACTUALS IN THOUSANDS

	PERSONAL	SERVICES	TRAVEL	CONTRACTUAL	SUPPLIES	EQUIPMENT	TOTAL
5630 Presuppression AMAO		387.1	1.4	39.1	29.2	7.0	463.8
1131 Reforestation AMAO				7.4	8.0		15.4
0635 SML Timber Sales AMAO		30.8		9.0	3.8		43.6
0636 Forest Stewardship AMAO		22.4		1.1	0.9		24.4
0637 Forest Practices AMAO		61.1	8.4	2.0	0.4		71.9
0332 ASD Student Intern Program		37.3	0.3	4.1	5.6		47.3
0330 Presuppression South Zone		377.0	3.2	110.5	5.3	36.1	532.1
0331 Presuppression SZ Admin			2.9	10.8	4.1	18.7	36.5
0336 Presuppression SZ Shop				17.5	24.6	1.2	43.3
0337 Presuppression SZ Warehouse			1.2	1.6	5.2		8.0
8417 (EST) Presuppression SZ Fed		37.0	2.1	0.2	0.4		39.7
8411 (EST) Forest Stewardship SPST		45.6	2.0	8.0	0.5		56.1
0132 Presuppression Ak Fire Mgmt		82.0	2.0	10.1	0.4	5.4	99.9
0135 Presuppression SW Training		0.1	12.9	16.8	3.4	0.2	33.4
0334 Presuppression Logistics			2.3	3.4	3.0	4.3	13.0
17033 EFF Crew Payroll		155.0					155.0
Overhead and Crew Subsistence (EST)				100.0			100.0
36501 Suppression AMAO		211.7	1.0	149.9	12.7		375.3
0233 Southern Aviation			1.0	5.9	13.4		20.3
0139 Fire Aviation Pers		175.9	15.9	26.2	6.9	7.0	231.9
TOTAL		1623	56.6	523.6	127.8	79.9	2410.9

12/20/95

8:28 AM/AMAO\$.XLS

Palmer Consolidated Facilities

<u>Fiscal Year</u>	<u>Item</u>	<u>Savings</u>
Annual	Eliminate Hangar charges for State (FEPP) Aircraft	28.8
Annual	Eliminate ramp and office space at Palmer	27.0
Annual	South Zone: reduce office space costs in Frontier Building 4,000 sq. ft. at \$2.15/sq. ft. /month Annual savings	103.2
Annual	Two expeditors (drivers) at South Zone	20.0
Annual	One EFF employee at Big Lake	10.0
Annual	Eagle River shop, whse and storage risk mgt chgs	3.6
Annual	Eagle River Facility maintenance and repair (general)	47.0
Annual	Big Lake Facility maintenance and repair (general)	3.3
Annual	Big Lake shop, office and whse risk mgt chgs	0.4
Annual	One FEPP vehicle can be eliminated at Big Lake	1.2
Annual	Reduced vehicle operating costs in South Zone.	2.4
Annual	Eagle River 6 mo wages for maintenance worker	21.0
Annual	Reduced losses from theft, damage.	<u>15.0</u>
	ANNUAL TOTAL	282.9
1999	Big Lake facility savings by not installing new fuel tank and system	20.0
1999	Eagle River upgrade electrical service in grey building	2.0
1999	Eagle River add crushed rock (D-1) to driveway	2.0
1999	Eagle River repair footings in front of grey bldg	<u>0.8</u>
	1999 TOTAL	\$ 24.8
2000	Add insulation to Eagle River shop interior walls	1.5
2000	Sewer line assessment cost for Eagle River	151.0
2000	Construct Eagle River vehicle storage unit (cover)	20.0
2000	Security fencing for shop complex	75.0
2000	Install electrical service to Eagle River facility gas shed	5.0
2000	Extend roof eaves on E.R. warehouse to eliminate glaciation ...	<u>5.0</u>
	2000 TOTAL	\$257.5
2001	Big Lake Office construction (replacement)	<u>\$1,759.0</u>
	TOTAL	\$1,759.0

INITIAL SPACE REQUEST

		Space for	WTB1 36x72 table	WTA1 30x60 table	PSB1 30x48 printers & tables	CTA1 48x72 computer tbl w/ch	FVA2-5 15x60 file cab letter	FVB4-5 18x60 file cab legal	FLA2-3 54x32 file cab lateral	CSA1 51x33 reg/visit chairs	BCC4 13x48 book- case	CA2 36x36 storage cabinets	other specialty equip	total
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	16.0	12.0		
P Kelley-Aiken	9161					1.0								
		98	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	122.0
Adm EFF				1.0						1.0				
w/fax			0.0	38.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	0.0	6.0	58.0
D Winter	9219				3.0	1.0		7.0	1.0	1.0		2.0	1.0	
w/pub counter		64	0.0	0.0	60.0	24.0	0.0	63.0	10.0	12.0	0.0	24.0	50.0	307.0
Clerical EFF						1.0							1.0	
			0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0	74.0
Mall station			1.0											
			61.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.7	94.7
Forms											2.0			
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.0	0.0	6.7	38.7
Smokey display													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.0	22.0
I Hazlett	9654		1.0			2.0	2.0		2.0			1.0	1.0	
w/copier PC1		98	61.0	0.0	0.0	48.0	16.0	0.0	20.0	0.0	0.0	12.0	30.0	285.0
EFF A/Px2				2.0	1.0	1.0				4.0				
			0.0	76.0	20.0	24.0	0.0	0.0	0.0	48.0	0.0	0.0	0.0	168.0
EFF Medivac				1.0		1.0				2.0				
			0.0	38.0	0.0	24.0	0.0	0.0	0.0	24.0	0.0	0.0	0.0	86.0
EFF Commisx2			1.0	2.0		1.0				4.0			1.0	
w/storage locking			61.0	76.0	0.0	24.0	0.0	0.0	0.0	48.0	0.0	0.0	120.0	329.0
L Abruzzino	9084					2.0	2.0		2.0			1.0	2.0	
w/printouts		98	0.0	0.0	0.0	48.0	16.0	0.0	20.0	0.0	0.0	12.0	28.9	222.9
Files store A/P													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0	36.0
Safe													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0
Recycle x6													6.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.0	28.0
War room/vcr												1.0		
30 people			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	660.0	672.0
Boards/maps													5.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	120.0	120.0
Frig/micro/sink													1.0	
adjacent to war rm			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	77.0	77.0
training room														
for 36 people			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	992.0	992.0

INITIAL SPACE REQUEST

Employee	PCN	Space for PCN	WTB1 36x72 table	NTA1 30x60 table	PSB1 30x48 printers & tables	CTA1 48x72 computer tbl w/ch	FVA2--5 15x60 file cab letter	FVB4--5 18x60 file cab legal	FLA2--3 54x32 file cab lateral	CSA1 51x33 reg/visit chairs	BCC4 13x48 book-case	SCA2 36x36 storage cabinets	other specialty equip	total
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	16.0	12.0		
Copier large w/paper storage 220 v PC3 step-test area			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	172.0
John See	9112		0.0	0.0	0.0	1.0	0.0	0.0	10.0	0.0	0.0	0.0	1.0	110.0
M Monsen/w fax & EFF & parts receiving area	9718	132	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	16.0	0.0	1.0	182.0
drafting STA1 print & equip		98	0.0	0.0	20.0	24.0	16.0	9.0	0.0	12.0	0.0	24.0	75.0	278.0
D Dehart	9226		0.0	0.0	0.0	0.0	0.0	9.0	0.0	0.0	48.0	0.0	4.9	61.9
w/light tbl STC1 shared J Carlson	9444	122	0.0	0.0	20.0	24.0	0.0	0.0	10.0	24.0	0.0	0.0	22.0	222.0
Cruickshanks	9012	122	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	32.0	24.0	0.0	202.0
C Forrest-Elkins	9227		0.0	0.0	0.0	1.0	1.0	1.0			4.0		5.0	
training library		122	0.0	0.0	0.0	24.0	8.0	9.0	0.0	0.0	64.0	0.0	20.0	247.0
D Ricker	9474		0.0	0.0	0.0	1.0			1.0				1.0	
R Hart	9486	122	0.0	0.0	0.0	24.0	0.0	0.0	10.0	0.0	0.0	0.0	8.0	164.0
M Johannes	9228		0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	16.0	12.0	0.0	160.0
M Wade	9745	122	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	18.0	0.0	0.0	150.0
Logistics			0.0	0.0	20.0	24.0	0.0	27.0	0.0	0.0	48.0	0.0	8.0	127.0
Locking gun storage			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	50.0
Log Comp Tbl work station EFF			0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0	76.0
Log Conf CR3B			0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	0.0	64.0	76.0
Log Tel/Radio work station			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	150.0
Log fax			0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0	37.5
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	0.0	25.5	37.5
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	8.0
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0

INITIAL SPACE REQUEST

Employee	PCN	Space	WTB1	WTA1	PSB1	CTA1	FVA2-5	FVB4-5	FLA2-3	CSA1	BCC4	SCA2	other	total
		for	36x72	30x60	30x48	48x72	15x60	18x60	54x32	51x33	13x48	36x36		
sq ft allowed	PCN	PCN	table	table	printers & tables	computer tbl w/ch	file cab letter	file cab legal	file cab lateral	reg/visit chairs	book- case	storage cabinets	specialty equip	
Log map files													3.0	
MIA1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	108.0	108.0
Coat Rack x 3													3.0	
MID1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.0	36.0
FSvcTech x2					3.0				2.0	3.0			2.0	
			0.0	0.0	60.0	0.0	0.0	0.0	20.0	36.0	0.0	0.0	100.0	216.0
EF work stax3					3.0		2.0		2.0	2.0			3.0	12.0
			0.0	0.0	60.0	0.0	16.0	0.0	20.0	24.0	0.0	0.0	105.8	225.8
Mapboards													4.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	71.3	71.3
Commo room														
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	120.0	120.0
Storage room														1.0
12x30 S Bear & Log			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	360.0
w/microf MCA1													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0
C Graham	9002					1.0							1.0	
		132	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	168.0
F Malotte	9372			1.0		1.0							1.0	
w/extra wk sta		132	0.0	38.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	202.0
vac Fil	9742					1.0								
		122	0.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	145.0
R. Russell	3067			1.0		1.0				2.0				
		64	0.0	38.0	0.0	24.0	0.0	0.0	0.0	24.0	0.0	0.0	0.0	150.0
A Webber-Sword	9195			1.0	1.0	2.0				2.0				
		98	0.0	38.0	20.0	48.0	0.0	0.0	0.0	24.0	0.0	0.0	0.0	228.0
Repair station			2.0											
w/storage area			122.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.0	170.0
D Brown	9022			2.0		1.0				4.0	2.0			
		132	0.0	76.0	0.0	24.0	0.0	0.0	0.0	48.0	32.0	0.0	0.0	312.0
Conference Room													1.0	
CRS + boards			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	270.0	270.0
L Burns	9354			1.0	1.0	1.0		5.0	1.0	1.0		2.0	1.0	
w/wood sales counter		64	0.0	38.0	20.0	24.0	0.0	45.0	10.0	12.0	0.0	24.0	68.1	305.1
Reception													1.0	1.0
RA3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	144.0	144.0
Copier Med w/paper													2.0	
storage PC2			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	114.0	114.0

INITIAL SPACE REQUEST

		Space for	WTB1 36x72	WTA1 30x60	PSB1 30x48	CTA1 48x72	FVA2-5 15x60	FVB4-5 18x60	FLA2-3 54x32	CSA1 51x33	BCC4 13x48	SCA2 36x36	other	
Employer	PCN	PCN	table	table	printers & tables	computer tbl w/ch	file cab letter	file cab legal	file cab lateral	reg/visit chairs	book- case	storage cabinets	specialty equip	total
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	16.0	12.0		
vacant	9374		1.0		1.0	1.0				1.0		1.0	1.0	
w/library 4x12		132	61.0	0.0	20.0	24.0	0.0	0.0	0.0	12.0	0.0	12.0	48.0	309.0
L Greenough	9489		1.0			1.0			2.0		3.0			
		122	61.0	0.0	0.0	24.0	0.0	0.0	20.0	0.0	48.0	0.0	0.0	275.0
S Strube	9426					1.0			2.0	1.0	1.0			
		122	0.0	0.0	0.0	24.0	0.0	0.0	20.0	12.0	16.0	0.0	0.0	194.0
L Wilcock	9224				1.0	1.0			2.0	2.0	1.0	1.0		
		122	0.0	0.0	20.0	24.0	0.0	0.0	20.0	24.0	16.0	12.0	0.0	238.0
R Lmbear	9710			1.0	1.0	1.0					1.0			
		98	0.0	38.0	20.0	24.0	0.0	0.0	0.0	0.0	16.0	0.0	0.0	198.0
C Olson	9231		1.0			1.0			2.0	4.0	1.0	2.0		
		122	61.0	0.0	0.0	24.0	0.0	0.0	20.0	48.0	16.0	24.0	0.0	315.0
P Winn	9450				1.0	2.0				1.0	5.0			
dispatch		98	0.0	0.0	20.0	48.0	0.0	0.0	0.0	12.0	80.0	0.0	0.0	258.0
A Jurgens	9744		1.0			1.0								
w/radio table		98	61.0	0.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	183.0
T Smada	9464		1.0		1.0	1.0				2.0	1.0	1.0		
w/ly table		98	61.0	0.0	20.0	24.0	0.0	0.0	0.0	24.0	16.0	12.0	0.0	255.0
dispatch EFF x 3				1.0	2.0	3.0			1.0				3.0	
w/computers			0.0	38.0	40.0	72.0	0.0	0.0	10.0	0.0	0.0	0.0	150.0	310.0
Work Area													2.0	
WTB4 x 2			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	176.0	176.0
w/map files													3.0	
MIA1			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	108.0	108.0
Conference Room													1.0	
CR3B + boards			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	180.0	180.0
Coffee KEB1													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.0	41.0
Copier Med x 2													2.0	
PC2w/paper storage			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	144.0	144.0
File Room								4.0	2.0			8.0	1.0	
w/fax			0.0	0.0	0.0	0.0	0.0	36.0	20.0	0.0	0.0	96.0	12.0	164.0
Storage 10x30													1.0	
MSAO			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	300.0	300.0
Office totals		3194												13,367.7
20% access														2,673.5
Office total w/ access														16,041.2

INITIAL SPACE REQUEST

Employee	PCN	Space	WTB1	WTA1	PSB1	CTA1	FVA2-5	FVB4-5	FLA2-3	CSA1	BCC4	SCA2	other	total
		for PCN	36x72 table	30x60 table	30x48 printers & tables	48x72 computer tbl w/ch	15x60 file cab letter	18x60 file cab legal	54x32 file cab lateral	51x33 reg/visit chairs	13x48 book- case	36x36 storage cabinets	specialty equip	
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	10.0	12.0		
MSAO fire station													1.0	
4 bays 18x50x4			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3200.0	3,200.0
Initial attack briefing													1.0	
30 people			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	660.0	660.0
Student intern/EFF													1.0	
30 people			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	660.0	660.0
toilet/mens x 2													2.0	
TL4 + 2 urinals			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	366.0	366.0
toilet/womens x 2													2.0	
TL4-ur+1 toilet/sink			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	332.0	332.0
toilets w/showers													3.0	
TL3 x 3			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	327.0	327.0
locker room													60.0	
w/60 lockers			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	900.0	900.0
storage													1.0	
parts/supplies			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	300.0	300.0
equip cleaning area													1.0	
20x50			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1000.0	1,000.0
coffee/break													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0	60.0
MSAO fire station totals														7,805.0
MSAO fire sta total w/ access														7,805.0

INITIAL SPACE REQUEST

Employee	PCN	Space	WTB1	WTA1	PSB1	CTA1	FVA2-5	FVB4-5	FLA2-3	CSA1	BCC4	SCA2	other	total
		for PCN	36x72 table	30x60 table	30x48 printers & tables	46x72 computer tbl w/ch	15x60 file cab letter	18x60 file cab legal	54x32 file cab lateral	51x33 reg/visit chairs	13x48 book- case	36x36 storage cabinets	specialty equip	
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	16.0	12.0		
Maintenance Facility														
Shop complex													1.0	
60x120 specs attached			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7200.0	7,200.0
add 1 story and 2nd story storage and fire offices			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
MSAO shop space			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6344.0	6,344.0
pole shed 16 x 200			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
fuel storage 14 x 40			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1080.0	1,080.0
gas & oil storage			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	560.0	560.0
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	576.0	576.0
Maintenance Shop Totals														18,960.0
20% access														2,925.0
Maintenance Shop total w/ access														21,885.0
Warehouse														
replace ERFF			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
MSAO warehouse space			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4200.0	4,200.0
A Hibpshman	9488		1.0	0.0	2.0	2.0	0.0	0.0	4.0	4.0	2.0	3.0	1.0	
w/med copier		98	61.0	0.0	40.0	48.0	0.0	0.0	40.0	48.0	32.0	36.0	42.0	445.0
E Cole	9756		1.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	
position office sp		98	0.0	38.0	20.0	0.0	0.0	0.0	10.0	12.0	16.0	0.0	0.0	194.0
4 EFF clerical office space			1.0	4.0	1.0	1.0	2.0	0.0	1.0	4.0	1.0	1.0	4.0	
			61.0	152.0	20.0	24.0	16.0	0.0	10.0	48.0	0.0	12.0	200.0	543.0
receiving & refurb 32x40 2 story			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
toilet/mensx2													2580.0	2,560.0
TL4 + 2 urinals			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	
toilet/womens													366.0	366.0
TL4-ur+2 toilets/sinks			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
toilets w/showers			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	215.0	215.0
TL3 briefing area			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	
for 15 EFF			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	158.0	158.0
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	330.0	330.0
Warehouse totals		155.0												9,411.0
Warehouse total w/ access														9,411.0

INITIAL SPACE REQUEST

Employee	PCN	Space	WTB1	WTA1	PSB1	CTA1	FVA2-5	FVB4-5	FLA2-3	CSA1	BCC4	SCA2	other	total
		for	36x72	30x60	30x48	48x72	15x80	18x60	54x32	51x33	13x48	36x36		
sq ft allowed		PCN	table	table	printers & tables	computer tbl w/ch	file cab letter	file cab legal	file cab lateral	reg/visit chairs	book- case	storage cabinets	specialty equip	
MSAO hellbase						1.0		2.0		2.0			1.0	
FTIIIw/radio/copier	9439	122	0.0	0.0	0.0	24.0	0.0	18.0	0.0	24.0	0.0	0.0	42.0	230.0
FTII w/tty	9445				2.0									
		98	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	138.0
shared pilot/mechanic			1.0							2.0			1.0	
work space w/ctr			61.0	0.0	0.0	0.0	0.0	0.0	0.0	24.0	0.0	0.0	80.0	165.0
4 EFF								2.0	2.0	3.0	2.0	2.0	4.0	
			0.0	0.0	0.0	0.0	0.0	18.0	20.0	38.0	32.0	24.0	200.0	330.0
lollie													2.0	
TL4 x 2			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	278.0	278.0
MSAO hellbase totals		220												1,141.0
MSAO hellbase total w/ access														1,141.0
Palmer Airbase				1.0	1.0				2.0			2.0		
C Surface Wilcock	9443	122	0.0	38.0	20.0	0.0	0.0	0.0	20.0	0.0	0.0	24.0	0.0	224.0
B Caruso w/3wall cntr				1.0		1.0			1.0				5.0	
&/copier/radios/tty/m ctr	9487	98	0.0	38.0	0.0	24.0	0.0	0.0	10.0	0.0	0.0	0.0	246.0	416.0
P Forstner w/public				1.0	2.0	2.0			1.0			1.0	3.0	
counter & computers	9743	98	0.0	38.0	40.0	48.0	0.0	0.0	10.0	0.0	0.0	12.0	178.0	422.0
4 EFF				1.0	2.0					4.0	2.0		4.0	
			0.0	38.0	40.0	0.0	0.0	0.0	0.0	48.0	32.0	0.0	200.0	358.0
4 shared work			2.0							8.0			4.0	
stations for pilots			122.0	0.0	0.0	0.0	0.0	0.0	0.0	96.0	0.0	0.0	136.0	354.0
firefighter waiting													1.0	
23 personnel			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	508.0	506.0
briefing room													1.0	
24 personnel			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	528.0	528.0
kitchen													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	77.0	77.0
retardant parts													1.0	
storage			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0	400.0
flight planning													1.0	
room			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0	400.0
pilot rest area													1.0	
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	200.0	200.0
toilets w/showers													2.0	
TL3 x 2+extra shwr			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	218.0	218.0

INITIAL SPACE REQUEST

		Space for	WTB1 36x72	WTA1 30x60	PSB1 30x48	CTA1 48x72	FVA2--5 15x80	FVB4--5 18x80	FLA2--3 54x32	CSA1 51x33	BCC4 13x48	SCA2 36x36	other	
Employee	PCN	PCN	table	table	printers & tables	computer tbl w/ch	file cab letter	file cab legal	file cab lateral	reg/visit chairs	book- case	storage cabinets	specialty equip	total
sq ft allowed			61.0	38.0	20.0	24.0	8.0	9.0	10.0	12.0	16.0	12.0		
toilet/mens													1.0	
TL4 + 2 urinals			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	183.0	183.0
toilet/womens													1.0	
TL4-ur			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	117.0	117.0
PAQ totals		318.0												4403.0
Palmar Airbase total w/ access														4,403.0
total bldgs before hangar		3928.0												80,686.2
aircraft hangar													1.0	
115 x 160			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18400.0	18,400.0
Grand Totals all bldg		3928.0												79,086.2

Access space was inadvertently omitted from the 1994 initial space request for the Maintenance Shop. This error has been corrected adding 3,792 sq ft to the request. Duplicate access space has been removed from the office building. Where specific types of common areas were needed, no access percentage was added. Seasonal work space for emergency employees must be adjacent to supervisory personnel, both for work and safety measures.



Palmer Municipal Airport

The Palmer Municipal Airport, 40 road-miles from Anchorage, is close to the Glenn Highway and connected by spur to the Alaska Railroad.

Runway #15-33 is 6,000' long by 100' wide and paved with exit and apron taxiways. Runway #9-27 is 3,615' by 100' and also paved. It has a full parallel taxiway.

There are two apron areas: one on the northwest side, which is designed to provide general aviation tie-downs and serves fixed-base operators; the second apron, on the south and south-west of the runway, serves heavier cargo operations and industrial operators.

There are 105 tie-down spaces. Transient parking fee is \$2.00 per day. Monthly tie-down fees on pavement are \$15.00. Covered hangar space is available from private operators.

Several tie-down spaces are located near the Palmer golf course. A golf-cart "limo" service is available for the fly-in golfer. The Matanuska Camper Park is nearby. Downtown Palmer is 2 miles from the airport.

Developed lots including sewer and water are available for lease from the City of Palmer for \$0.04 per square foot annually. Larger, yet undeveloped areas, are also available and will be developed on demand in cooperation with the lessor.

The following companies are presently located at the Palmer Airport:

HINCHINBROOK CHEVRON
Transient Tie-downs & Service
Plug-Ins, Preheat
Rental Vehicles
Hangar Space
24-hour credit-card aviation fuel

B&J CUSTOM AIRCRAFT ENGINES
Aircraft Engine Repair

AIRCRAFT PAINTING CENTER
Complete Aircraft Painting Service
Aircraft Maintenance

NUGGET AVIATION
Flight Service, Flight School
Aviation Fuel

WOODS AIR
Air transportation for cargo and passengers.
Specialized cargo service.

GALLAGHER ELECTRIC
Electric contracting in rural Alaska

GLACIER AIRCRAFT PARTS

NEW HORIZON CONSTRUCTION

NORTH STAR FUEL

ALASKA MAN FLIGHT SERVICE

SKY PRO FLIGHT SERVICE



Resources, Vice Chair
State Affairs, Vice Chair
House Special Committee on Oil & Gas, Vice Chair
House Special Committee on Fisheries



State Capitol
Room 409
Juneau, Alaska 99801-1182
(907) 465-3878
(907) 465-3265

Representative Scott Ogan
House District 27

Sponsor Statement HB352

The purpose of this bill is to facilitate a lease purchase agreement with the city of Palmer in order to build a wildland fire facility for the Department of Natural Resources.

The Division of Forestry, in AS:41:15:00, is required to protect State, Private, and Municipal land from wildland fires. In order to achieve this task efficiently and with no costly duplication of resources, the state and federal fire management agencies have divided the state into two management areas. Under this system of cooperative fire suppression, the state protects the fire prone lands of the south while the Alaska Fire Service (BLM) protects the northern half of the state. The state is reimbursed for fire suppression on federal land. Also, the Division of Forestry has proposed becoming the lead agency for fire protection on the Chugach National Forest. Wildland fire protection by the state is particularly effective and efficient because of the use of emergency fire fighting crews, commonly called "EFFs". EFFs are organized into 16 person crews, and are predominately from rural villages.

Most of the state's area of responsibility consists of high value, populated areas and marketable natural resources. Wildland fires threaten these lands annually throughout the Spring, Summer and Fall. The state is responsible for approximately 134 million acres, including the road net, the rail belt, and major urban areas where 70 percent of Alaska's population lives.

Currently, the South Zone maintains offices and facilities in four different locations. The Anchorage Fire Coordination Center, the Eagle River Fire Facility(warehouse & equipment shop), the Big Lake Area Office and Initial Attack Base, and the Palmer Air Tanker Base. The proposed lease finance agreement pertains to these offices and facilities, and would consolidate these facilities into one multi-functional facility located at the heart of the South Zone fire suppression region.

The Division of Forestry states that by consolidating these four facilities to a central location, overall fire management of key program components (warehousing, logistics, equipment maintenance, and aviation) will significantly improve. It is anticipated that major improvements in coordination will occur, duplication of tasks will be eliminated, travel time will be reduced, the number of accidents will be lowered, and productivity will be improved dramatically (along with employee morale). The current situation, of having all four facilities dispersed over a large geographic area, has made supervision, communications, and coordination between the offices a real challenge. This is a frightening problem, since it hinders Forestry's ability to effectively fight wildland fire, thus causing serious concern for the safety of the public. In short, the current system is inefficient and not cost effective.

The Palmer Airport site has undeveloped land available, a paved runway 6,000 feet in length, community services, commercial support options, and is centrally located in the wildland fire protection area.

The future facility is anticipated to save the state approximately \$8.5 million in operating costs over the next nineteen years. The state will own the facility at the end of the lease term.

This proposal is a sound investment for the State of Alaska. It would increase the efficiency and cost effectiveness of fire suppression efforts in the heavily populated South Zone. It will save the state money in an era when budget problems demand fiscal responsibility. The City of Palmer is supportive. The Governor's Executive Budget Summary for FY 1997 recognizes the need for a central fire facility.

Your support for this bill would be greatly appreciated, both by myself and by the employees of the Division of Forestry, who are responsible for the protection of lands, structures, natural resources, and the safety of the public.



GREATER PALMER CHAMBER OF COMMERCE

January 30, 1996

Representative Scott Ogan
State Capitol
Juneau, Alaska 99801-1182

Re: House Bill No. 352

Dear Representative Ogan:

On behalf of the Board of Directors of the Greater Palmer Chamber of Commerce, I am writing in support of House Bill No. 352. This bill allows for a lease-purchase agreement between the State of Alaska Department of Natural Resources and the City of Palmer for a fire management facility at the Palmer Municipal Airport.

The fire management facility that would result from passage of this legislation would provide a consolidation of Division of Forestry wildland fire services. At present, these services are located in four different facilities. According to Division of Forestry research, consolidation would result in increased efficiency and would save the State of Alaska approximately \$9 million over the next twenty years. The state would own the facility at the end of the lease term.

Palmer appears to be the logical location for this facility. It is centrally located in the wildland fire protection area. One of the current facilities is located at the airport in Palmer. There is undeveloped land available for the project, the airport has a 6,000 foot paved runway, commercial support options are available and the City of Palmer has committed to work closely with the Division of Forestry to bring about the project.

We have been notified that the administration has included a consolidated wildland fire facility in the FY 1997 Executive Budget Summary. It would seem that now is the time to pass this legislation. The Palmer Chamber urges passage of House Bill No. 352.

Sincerely,

Penny Griffin
President

EXTENDED ATTACK FIRE SCENARIO -- FIRE DISPATCHING UNDER CURRENT CONDITIONS VS A CONSOLIDATED PALMER FACILITY

Status Quo:

Under the existing Mat-Su office configuration, a fire call is received at 9G Base (911 dispatch) where information is taken by Borough dispatchers and the information is relayed by phone to Forestry Dispatch at Big Lake. A Big Lake Dispatcher determines an appropriate initial attack (IA) response and notifies crews by radio with the appropriate information. If a fire exceeds IA capability, the IA Incident Commander calls Big Lake via radio with an additional resource request. Small supply requests are filled from the fire cache at Big Lake and trucked to the site (usually 30+ miles). Large supply orders are faxed to the South Zone logistics in Anchorage, who then adjudicate the order and relay it by fax or phone to the Eagle River warehouse. The Eagle River warehouse then fills the order and ships the supplies, by truck, to the fire (distances often exceed 60 miles one way). Retardant aircraft are ordered by Big Lake Dispatch via teletype (with simultaneous transmission to all fire dispatch offices) and dispatched to the fire from the nearest available base, which would normally be Palmer. Additional personnel are either hired from Emergency Fire Fighter rosters by dispatchers in Big Lake or a resource order is sent to the South Zone logistics office in Anchorage. Resources are either located in other South Zone offices or the order is forwarded to the Alaska Interagency Fire Coordination Center (AIFCC) in Fairbanks for filling by North Zone or federal resources. Equipment orders are processed much the same way with local sources explored first by dispatchers in Big Lake or the order is forwarded to South Zone in Anchorage where again it is either filled or forwarded to Fairbanks.

Support for larger fires in other areas of the South Zone (McGrath, Kenai, or the Copper River Basin) is also obtained by sending Resource Orders from the local dispatch office to the South Zone logistics office in Anchorage. Supply orders are then sent to the Eagle River warehouse where orders are filled and transported by truck to either Palmer Air Base or a commercial aircraft vendor in Anchorage. From here, supplies are loaded on an aircraft for transport to an Area Office or fire staging area for further transport to the fire. Some orders are forwarded to AIFCC in Fairbanks for filling out of the State Fire Warehouse. Personnel orders are filled for these fires by the South Zone logistics office forwarding the order to Area Offices which have available resources to fill the order. Transportation is arranged at all locations, but coordination is involved with sending, receiving and intermediary offices. Aircraft and equipment orders are filled by South Zone logistics from either available resources at any location (again by relaying resource orders if located at separate facility), or by contacting vendors to supply the resource under an emergency procurement arrangement. In most cases, several offices are involved before the order is received at the fire.

PAQ Facility:

With a consolidated office in Palmer, the initial report would normally route to 9G Base (911 dispatch in Palmer); however, the initial call would be directly transferred to the Forestry Dispatch at the consolidated dispatch facility. Initial attack forces, whether engine, helitack, smoke jumpers or retardant aircraft, would be alerted by a loud speaker or an audible alarm to activate a response. The fire alarm would be relayed to responding resources via radio once en route to the incident. When IA forces require additional resources, the request would be relayed to the consolidated facility in Palmer. It is expected that most resources needed for an extended attack fire (under twenty committed people and less than three days duration) would be available and supplied from the Palmer facility. All refurbishing and resupply for multiple fire operations would also be accomplished from stock at the consolidated Palmer facility. When fire resource needs exceed the capability of the Palmer facility to supply (typically, this would be for a large, complex fire which are rare in this protection area), resource orders would be adjudicated by South Zone staff in Palmer and filled from other South Zone areas or forwarded directly to the Alaska Interagency Fire Coordination Center in Fairbanks for filling by North Zone or federal resources. Resource orders from large fires in other areas of the South Zone would be routed directly to the Palmer facility; resource orders would be adjudicated and supplied directly from available resources in Palmer or again forwarded to AIFCC. Supplies would be directly loaded from the warehouse into aircraft and transported to the fire or staging area. In most cases, the Palmer facility would also be the mobilization point for personnel, crews and equipment that were destined for the fire

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: February 2, 1996

FURTHER REFERRALS:

Date of Committee Action: 2/27/96

The FINANCE Committee considered:

HB 352

HOUSE BILL NO. 352

APPROVE PALMER AIRPORT FIRE BLDG.

"An Act giving notice of and approving a lease-purchase agreement with the City of Palmer for a fire management facility at the Palmer Airport."

recommends it be replaced with the following committee substitute [] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [X] fiscal note(s) DNR, 2/2/96

[] zero fiscal note(s) [X] zero fiscal note(s) DOS 2/2/96

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names like Hanley, Mulder, Martin, Parnell, Kohring, Navarre, Brown, Kelly, Theriault, and Foster.

CHAIR'S SIGNATURE: [Signature] Hanley & Richard Foster

FISCAL NOTE

No. 1
 Bill Version: HB 352
 (H) Publish Date: 2/2/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act giving notice of and approving a BRU: Statewide Fire Suppression Program
 lease-purchase agreement with the City of Palmer for a fire... Component: Fire Suppression
 Sponsor: Representative Scott Ogan
 Requestor: _____ Component Serial No. 437

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES		(55.0)	(55.0)	(55.0)	(55.0)	(55.0)
TRAVEL		(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
CONTRACTUAL		(159.0)	(159.0)	(159.0)	(159.0)	(159.0)
SUPPLIES						
EQUIPMENT		(16.2)	(16.2)	(16.2)	(16.2)	(16.2)
LAND & STRUCTURES		(50.3)	(50.3)	(50.3)	(50.3)	(50.3)
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF		(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	-3	-3	-3	-3	-3

ANALYSIS: (Attach a separate page if necessary)

The total of construction cost, issuance cost and underwriters discount would be less than \$6,000.0. The financial analysis is based upon 20 annual payments of \$548.1 and a true interest cost of 5.5%. The State Bond Committee and the City of Palmer might desire a different lease term. A shorter lease term would increase the annual lease payment but decrease true interest costs and total lease payments. Debt service would need to be appropriated along with payments on other state lease obligations.

The state would own the facility at the end of the lease term and the savings would continue. The savings shown here are aggregate and may be included in several budget components (Fire Suppression, Forest Mgmt. & Development, and Dept of Administration-General Services). The lease obligation would be issued by the City of Palmer.

Division of Forestry projects this project to have a net present value savings of over \$2,000.0. Part of the savings over the first three years is cost avoidance of deferred maintenance/repairs of about \$2,000.0.

Prepared by: Tom Bawn, Director Phone: 465-3379
 Division: Forestry Date: 30-Jan-96
 Approved by Commissioner: [Signature] Date: 30-Jan-96
 Agency: Natural Resources

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FISCAL NOTE

No. 2
 S... Version: HB 352
 (H) Publish Date: 2/2/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: 1/29/96 Dept. Affected: DOT&PF
 Title: "An Act giving notice of and approving a lease-
purchase...with City of Palmer...of a fire management facility..." BRU: Central Region
 Sponsor: Representative Ogan Component: Design and Construction
 Requester: House Transportation COMPONENT SERIAL NO. #561

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS							
FULL-TIME							
PART-TIME							
TEMPORARY							

ANALYSIS: (Attach a separate page if necessary)

Although the fiscal note is zero, it would be anticipated that DOT&PF would be reimbursed through the normal RSA process for any required reviews and coordination effort.

Prepared by: Loren Rasmussen, P.E. Acting Director Phone: 465-2960
 Division: Engineering and Operations Date: 1/29/96
 Approved by: Joseph L. Perkins Date: 1/29/96
 Agency: Department of Transportation and Public Facilities

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**Executive
Budget
Summary for
Fiscal Year
1997**

July 1996-June 1997



Tony Knowles
Governor
State of Alaska

Prepared by the Office of Management and Budget
December 1995

DEPARTMENT OF NATURAL RESOURCES

MISSION

Developing, preserving, and enhancing our natural resources for us and for our children.

Major Goals and Strategies

1 Develop and stimulate resource-based economic activity

- Offer 1.6 million acres for oil & gas leasing in three lease sales.
- Provide 49.3 million board feet for the forest industry.
- Provide 50 agriculture land disposal packages
- Generate over \$650,000 from fees from the state's 31,000 mine claims.
- Administer 140 private timber sales and 1,800 personal use permits.
- Generate \$1 million in coal royalties.
- Generate \$10 million from land sales, permits, leases and fees.
- Generate over \$2 million in user fees from park operations.
- Process over 3,000 requests for use of state land or resources.
- Generate at least \$2 million from Alaska Mental Health Trust lands.

2 Preserve Alaska's resources, scenic and cultural values and stress Alaska's quality of life

- Locate one new alternative energy source for rural Alaska communities.
- Complete two master plans for marine parks
- Supervise and inspect 20 Alaskan dams for safety.
- Coordinate with the Bureau of Land Management to protect 134 million acres of Alaska's lands from wild fires, providing over 1000 seasonal jobs for rural residents.
- Plant 600 acres of forest land and survey 1,000 acres for regeneration.

3 Enhance natural resource accessibility by simplifying and accelerating regulatory processes and organizational structures to better serve our customers

- Maintain customer service centers in Public Information Centers in Anchorage, Juneau, and Fairbanks.
- Complete 1000 deeds for the Mental Health Trust Lands.
- Provide quality customer service for over 10,000 lease and sale contracts. Audit and maintain accurate records for 25,000 payments.
- Revise Title 38 to significantly reduce the steps in the many statutory processes.
- Certify entitlement for one municipal government and convey about 20,000 acres to 20 different municipalities.
- Adopt regulations which ensure that DNR management is consistent with the Mental Health Trust enabling act, settlement and settlement legislation.
- Attempt to secure the remaining 20,000 acres of Mental Health Trust entitlement.

4 Improve public awareness of Alaska's natural resource asset base, its market potential within Alaska and the world, how it effects our daily lives, creates jobs, and how to implement its promise for our common future.

- Convert 50% of the remaining manual plats to digital format and create 1,000 townships, in automated format, on the state's land information system.
- Develop public access for the electronic records of Land Records Information Services financed by fees and generate \$50,000 in program receipts.
- Distribute 10,000 resource integration maps generating \$50,000 in program receipts.
- Increase natural resource awareness in 20 public schools.
- Complete the Kodiak area plan (5 million acres).
- Establish a home page on the Internet providing world wide access to Alaska geologic resource publications.

KEY PERFORMANCE MEASURES

- Offer 1.6 million acres of state land for oil & gas leasing in three lease sales.
- Administer and facilitate the issuance of 31,000 mining claim permits.
- Maintain and operate 127 state park units to accommodate 6 million visits.
- Maintain the state's land data base through the notation of 10,000 state resource transactions, affecting 12,000 townships, and make this information available to the public.
- Generate \$1.3 million from sale of forest products and offer 49.3 million board feet for the forest industry.

Efficiencies and Economies

Volunteers In Parks (VIP): The VIP program which presently provides 72,000 hours of donated time, will be expanded 5% (3600 hours) this year.

Central Fire Facility: Forestry will evaluate consolidation of four separate fire suppression facilities into one, saving \$8 million over the 20 year life of the project.

Recorder's Office will provide copies of documents within one day of request.

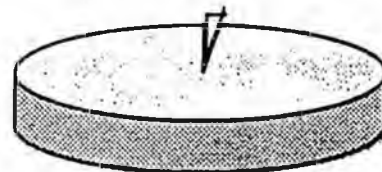
Other Key Issues

Responsibility review: Review all of our responsibilities, such as continued state ownership of vast amounts of surface land, to see if we can concentrate on the "vital few" and eliminate most of the "trivial many".

Process review: Continue the review of all of our processes to eliminate unnecessary steps and duplication.

Native Commission Report: Analyze our activities in rural Alaska to help achieve the goals set out in this report.

Department of Natural Resources
2% of Total Operating Budget



Budget Summary	FY95 Actual	FY96 Authorized	FY97 Governor
General Fund - Designated for specific purposes	\$N/A	\$2,522.7	\$2,544.4
General Fund - All other	50,918.7	41,780.7	41,127.1
Federal Funds	10,946.0	11,029.8	8,318.9
Other Funds -State corporation earnings, internal service funds	17,525.9	7,918.3	7,337.6
TOTAL BUDGET	\$79,390.6	\$63,251.5	\$59,328.0
Positions - Full-time	604	583	560
Part-time and Seasonal	240	240	231

HOUSE COMMITTEE REPORT

2/2/96

(7)
Date Referred: May 16, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 1/31/96

The TRANSPORTATION Committee considered: HB 352

HOUSE BILL NO. 352 APPROVE PALMER AIRPORT FIRE BLDG.

"An Act giving notice of and approving a lease-purchase agreement with the City of Palmer for a fire management facility at the Palmer Airport."

recommends it be replaced the same title
with the following committee substitute _____ a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) DNR APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) DOT/DF zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Beverly Masek</i> MASEK	✓			
<i>Kennette James</i> James	✓			
<i>Long</i> Long			✓	
<i>Bria</i> Bria			✓	
<i>Williams</i> Williams	✓			
<i>G. Davis</i> G. Davis	✓			
<i>Sanders</i> Sanders			✓	
	(4)		(3)	

CHAIR'S SIGNATURE *G. Davis*
G. Davis

HB

352

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB352 -

Revision Date: 23-Apr-96 Dept Affected Natural Resources
 Title: An Act giving notice of and approving a BRU: Statewide Fire Suppression Program
lease-purchase agreement with the City of Palmer for a fire... Component: Fire Suppression
 Sponsor: Representative(s) Ogan, Kohring
 Requestor: Senate Finance Component Serial No. 437

Expenditures/Revenues (Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES			(55.0)	(55.0)	(55.0)	(55.0)
TRAVEL			(2.4)	(2.4)	(2.4)	(2.4)
CONTRACTUAL			(159.0)	(159.0)	(159.0)	(159.0)
SUPPLIES						
EQUIPMENT			(16.2)	(16.2)	(16.2)	(16.2)
LAND & STRUCTURES			(50.3)	(50.3)	(50.3)	(50.3)
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	(282.9)	(282.9)	(282.9)	(282.9)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF			(282.9)	(282.9)	(282.9)	(282.9)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	(282.9)	(282.9)	(282.9)	(282.9)

Estimate of any current year (FY96) cost: \$ none

POSITIONS

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	-3	-3	-3	-3

ANALYSIS: (Attach a separate page if necessary)

The total of construction cost, issuance cost and underwriters discount would be less than \$6,000.0. The financial analysis is based upon 20 annual payments of \$548.1 and a true interest cost of 5.5%. The State Bond Committee and the City of Palmer might desire a different lease term. A shorter lease term would increase the annual lease payment but decrease true interest costs and total lease payments. Debt service would need to be appropriated along with payments on other state lease obligations.

The state would own the facility at the end of the lease term and the savings would continue. The savings shown here are aggregate and will be included in several budget components. Estimate of \$179.9 savings in Fire Suppression and Forest Mgmt. & Development, and \$103.0 savings in Dept. of Administration-General Services. The lease obligation would be issued by the City of Palmer.

Division of Forestry projects this project to have a net present value savings of over \$2,000.0. Part of the savings over the first three years is cost avoidance of deferred maintenance/repairs of about \$2,000.0.

Prepared by: Tom Boutin, Director *[Signature]* Phone: 465-3379
 Division: Forestry Date: 23-Apr-96
 Approved by Commissioner: *[Signature]* Date: 23-Apr-96
 Agency: Natural Resources

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FISCAL NOTE

No. 2 REPORTED OUT OF
 S... Version: SEC HB-352
 (H) Publish Date: 2/2/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: 1/29/96 Dept. Affected: DOT&PF
 Title: "An Act giving notice of and approving a lease-
urchase...with City of Palmer...of a fire management facility..." BRU: Central Region
 Sponsor: Representative Ogan Component: Design and Construction
 Requester: House Transportation COMPONENT SERIAL NO. #561

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Although the fiscal note is zero, it would be anticipated that DOT&PF would be reimbursed through the normal RSA process for any required reviews and coordination effort.

Prepared by: Loren-Rasmussen, P.E. Acting Director Phone: 465-2960
 Division: Engineering and Operations Date: 1/29/96
 Approved by: Joseph L. Perkins Date: 1/29/96
 Agency: Department of Transportation and Public Facilities

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moved Sen. Donley
w/o objection
rep. out w/ ind. recs
& fiscal notes.
9-LS11921A

SCS HOUSE BILL NO. 352 (FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES OGAN, Kohring

Introduced: 5/16/95

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving a lease-purchase agreement with the City
2 of Palmer for a fire management facility at the Palmer Airport."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. NOTICE AND APPROVAL OF LEASE-PURCHASE AGREEMENT. The
5 Department of Administration is authorized to enter into a lease-purchase agreement with the
6 City of Palmer to enable the City of Palmer to finance and build a Department of Natural
7 Resources fire management facility at the Palmer Airport. The total construction, acquisition,
8 or other costs of the project shall be less than \$6,000,000. The annual amount of the rental
9 obligation shall be less than \$1,300,000. The total lease payments for the full term of the
10 agreement shall be less than \$10,000,000. The state shall own the facility at the end of the
11 lease term. This section constitutes the notice and approval required by AS 36.30.085.

Sen. Sharp moves \$1,900,000
w/o objection adopted

"immediate effective date"

moved Sen. Zharoff
w/o objection adopted

HB0352a

-1-

HB 352

New Text Underlined [DELETED TEXT BRACKETED]

old notes -
new dept. F/N
sent in.

FISCAL NOTE

No. 1
Bill Version: HB 352
(H) Publish Date: 2/2/96

STATE OF ALA
1996 LEGISLA

Revision Date: Original Dept Affected Natural Resources
Title: An Act giving notice of and approving a BRU: Statewide Fire Suppression Program
lease-purchase agreement with the City of Palmer for a fire... Component: Fire Suppression
Sponsor: Representative Scott Ogan
Requestor: _____ Component Serial No. 437

Expenditures/Revenues (Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES		(55.0)	(55.0)	(55.0)	(55.0)	(55.0)
TRAVEL		(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
CONTRACTUAL		(159.0)	(159.0)	(159.0)	(159.0)	(159.0)
SUPPLIES						
EQUIPMENT		(16.2)	(16.2)	(16.2)	(16.2)	(16.2)
LAND & STRUCTURES		(50.3)	(50.3)	(50.3)	(50.3)	(50.3)
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)

Estimate of any current year (FY96) cost: \$ none

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	-3	-3	-3	-3	-3

ANALYSIS: (Attach a separate page if necessary)

The total of construction cost, issuance cost and underwriters discount would be less than \$6,000.0. The financial analysis is based upon 20 annual payments of \$548.1 and a true interest cost of 5.5%. The State Bond Committee and the City of Palmer might desire a different lease term. A shorter lease term would increase the annual lease payment but decrease true interest costs and total lease payments. Debt service would need to be appropriated along with payments on other state lease obligations.

The state would own the facility at the end of the lease term and the savings would continue. The savings shown here are aggregate and may be included in several budget components (Fire Suppression, Forest Mgmt. & Development, and Dept of Administration-General Services). The lease obligation would be issued by the City of Palmer.

Division of Forestry projects this project to have a net present value savings of over \$2,000.0. Part of the savings over the first three years is cost avoidance of deferred maintenance/repairs of about \$2,000.0.

Prepared by: Tom Boutin, Director Phone: 465-3379
 Division: Forestry Date: 30-Jan-96
 Approved by Commissioner: [Signature] Date: 30-Jan-96
 Agency: Natural Resources

FISCAL NOTE

No. 1
 Bill Version: HB 352
 (H) Publish Date: 2/2/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An Act giving notice of and approving a BRU: Statewide Fire Suppression Program
lease-purchase agreement with the City of Palmer for a fire... Component: Fire Suppression
 Sponsor: Representative Scott Ogan
 Requestor: _____ Component Serial No. 437

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES		(55.0)	(55.0)	(55.0)	(55.0)	(55.0)
TRAVEL		(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
CONTRACTUAL		(159.0)	(159.0)	(159.0)	(159.0)	(159.0)
SUPPLIES						
EQUIPMENT		(16.2)	(16.2)	(16.2)	(16.2)	(16.2)
LAND & STRUCTURES		(50.3)	(50.3)	(50.3)	(50.3)	(50.3)
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF		(282.9)	(282.9)	(282.9)	(282.9)	(282.9)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	(282.9)	(282.9)	(282.9)	(282.9)	(282.9)

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	-3	-3	-3	-3	-3

ANALYSIS: (Attach a separate page if necessary)

The total of construction cost, issuance cost and underwriters discount would be less than \$6,000.0. The financial analysis is based upon 20 annual payments of \$548.1 and a true interest cost of 5.5%. The State Bond Committee and the City of Palmer might desire a different lease term. A shorter lease term would increase the annual lease payment but decrease true interest costs and total lease payments. Debt service would need to be appropriated along with payments on other state lease obligations.

The state would own the facility at the end of the lease term and the savings would continue. The savings shown here are aggregate and may be included in several budget components (Fire Suppression, Forest Mgmt. & Development, and Dept of Administration-General Services). The lease obligation would be issued by the City of Palmer.

Division of Forestry projects this project to have a net present value savings of over \$2,000.0. Part of the savings over the first three years is cost avoidance of deferred maintenance/repairs of about \$2,000.0.

Prepared by: Tom Boutin, Director Phone: 465-3379
 Division: Forestry Date: 30-Jan-96
 Approved by Commissioner: [Signature] Date: 30-Jan-96
 Agency: Natural Resources

Resources, Vice Chair
State Affairs, Vice Chair
House Special Committee on Oil & Gas, Vice Chair
House Special Committee on Fisheries



State Capitol
Room 409
Juneau, Alaska 99801-1182
(907) 586-3978
(907) 465-3265

Representative Scott Ogan
House District 27

Sponsor Statement HB352

The purpose of this bill is to facilitate a lease purchase agreement with the city of Palmer in order to build a wildland fire facility for the Department of Natural Resources.

The Division of Forestry, in AS:41:15:00, is required to protect State, Private, and Municipal land from wildland fires. In order to achieve this task efficiently and with no costly duplication of resources, the state and federal fire management agencies have divided the state into two management areas. Under this system of cooperative fire suppression, the state protects the fire prone lands of the south while the Alaska Fire Service (BLM) protects the northern half of the state. The state is reimbursed for fire suppression on federal land. Also, the Division of Forestry has proposed becoming the lead agency for fire protection on the Chugach National Forest. Wildland fire protection by the state is particularly effective and efficient because of the use of emergency fire fighting crews, commonly called "EFFs". EFFs are organized into 16 person crews, and are predominately from rural villages.

Most of the state's area of responsibility consists of high value, populated areas and marketable natural resources. Wildland fires threaten these lands annually throughout the Spring, Summer and Fall. The state is responsible for approximately 134 million acres, including the road net, the rail belt, and major urban areas where 70 percent of Alaska's population lives.

Currently, the South Zone maintains offices and facilities in four different locations. The Anchorage Fire Coordination Center, the Eagle River Fire Facility (warehouse & equipment shop), the Big Lake Area Office and Initial Attack Base, and the Palmer Air Tanker Base. The proposed lease finance agreement pertains to these offices and facilities, and would consolidate these facilities into one multi-functional facility located at the heart of the South Zone fire suppression region.

The Division of Forestry states that by consolidating these four facilities to a central location, overall fire management of key program components (warehousing, logistics, equipment maintenance, and aviation) will significantly improve. It is anticipated that major improvements in coordination will occur, duplication of tasks will be eliminated, travel time will be reduced, the number of accidents will be lowered, and productivity will be improved dramatically (along with employee morale). The current situation, of having all four facilities dispersed over a large geographic area, has made supervision, communications, and coordination between the offices a real challenge. This is a frightening problem, since it hinders Forestry's ability to effectively fight wildland fire, thus causing serious concern for the safety of the public. In short, the current system is inefficient and not cost effective.

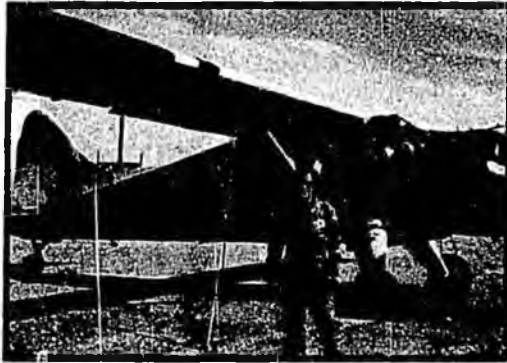
The Palmer Airport site has undeveloped land available, a paved runway 6,000 feet in length, community services, commercial support options, and is centrally located in the wildland fire protection area.

The future facility is anticipated to save the state approximately \$8.5 million in operating costs over the next nineteen years. The state will own the facility at the end of the lease term.

This proposal is a sound investment for the State of Alaska. It would increase the efficiency and cost effectiveness of fire suppression efforts in the heavily populated South Zone. It will save the state money in an era when budget problems demand fiscal responsibility. The City of Palmer is supportive. The Governor's Executive Budget Summary for FY 1997 recognizes the need for a central fire facility.

Your support for this bill would be greatly appreciated, both by myself and by the employees of the Division of Forestry, who are responsible for the protection of lands, structures, natural resources, and the safety of the public.

South Zone Facilities Consolidation Proposed Lease Finance at Palmer Airport



Alaska Department of
**NATURAL
RESOURCES**

February 1996

Remember, Only YOU



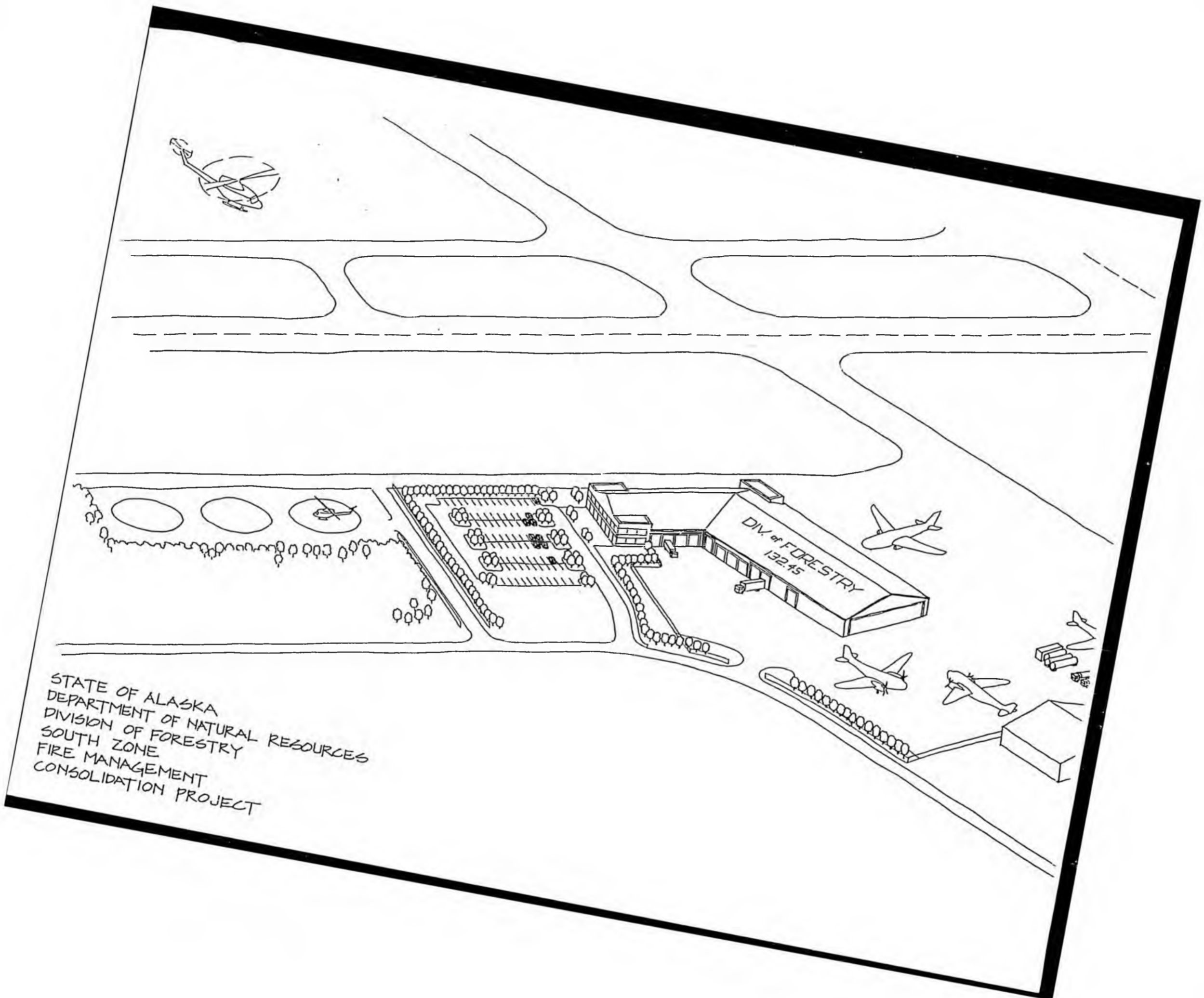
Can Prevent Forest Fires

SOUTH ZONE CONSOLIDATION PROJECT

**Proposed Lease Finance
for Fire Management
Facility**

**State of Alaska
Department of Natural Resources
Division of Forestry**

February 1996



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
SOUTH ZONE
FIRE MANAGEMENT
CONSOLIDATION PROJECT

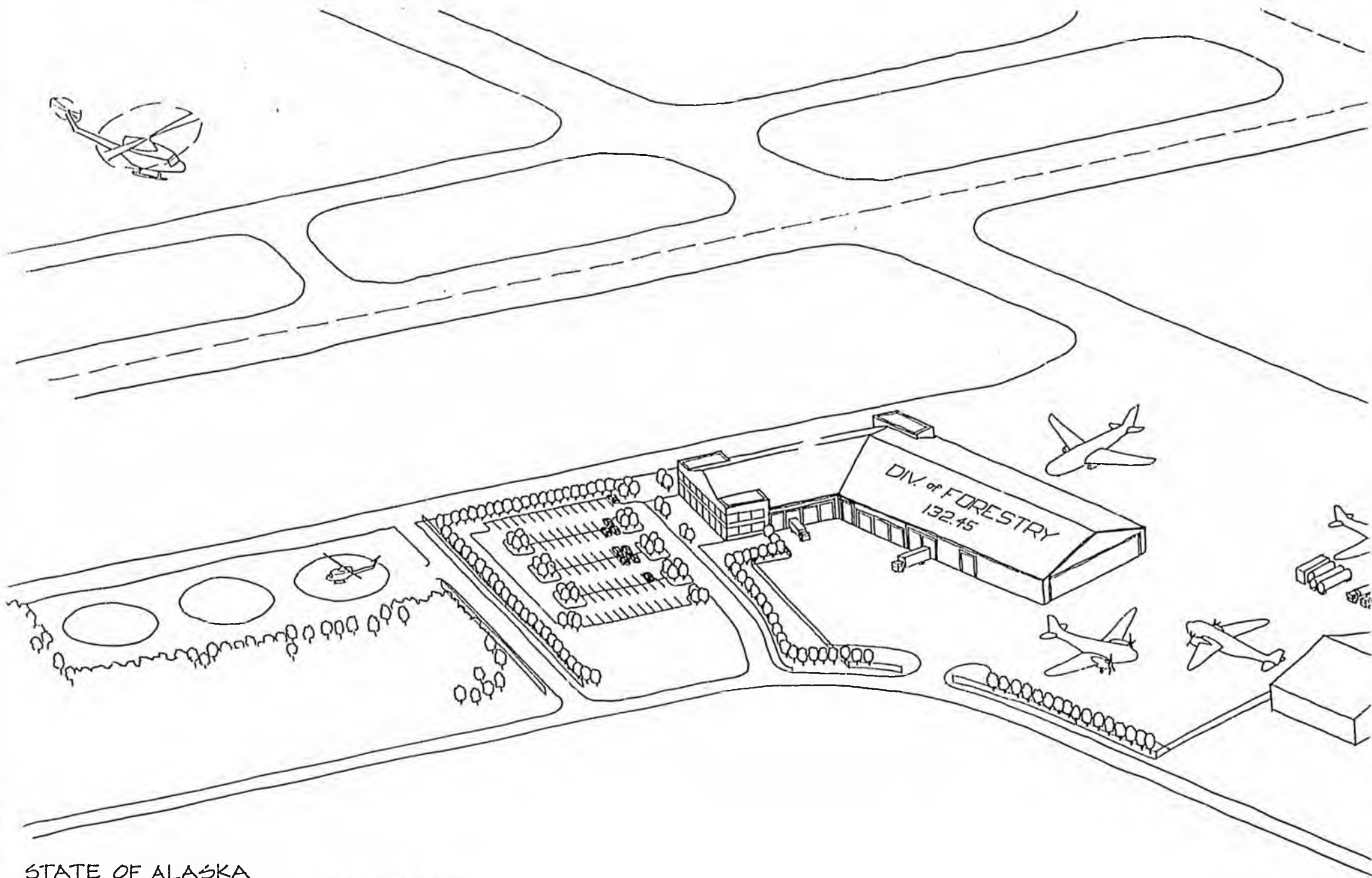
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Department of Education
State of Alaska



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
SOUTH ZONE
FIRE MANAGEMENT
CONSOLIDATION PROJECT

EXECUTIVE SUMMARY

STATE DIVISION OF FORESTRY WILDLAND FIRE PROGRAM SOUTH ZONE FACILITY CONSOLIDATION

The State Division of Forestry (DOF) is proposing to consolidate four wildland fire facilities to cut cost and increase efficiency. This would involve centralizing the Eagle River Fire Facility (warehouse & equipment shop), Big Lake Area Office & Initial Attack Base, Anchorage Fire Coordination Center (South Zone), and the Palmer Air Tanker Base.

- * Declining budgets require maximizing operational efficiency. The present scattered facilities are inefficient and require extra coordination.
- * DOF proposes a Lease Finance approach to build a new centralized facility
- * The new consolidated facility would provide...
 - * a logistics office to coordinate the delivery of supplies, equipment, and personnel to wildland fires,
 - * a warehouse for fire-fighting supplies and their rapid distribution via the road system or by air cargo to remote locations,
 - * the Anchorage Mat-Su Area Office with a convenient location to better serve the public. This office issues permits for brush burning, firewood/house logs and provides resources information to the public.
 - * a base for fire-fighting trucks and aircraft,
 - * a site for fire retardant storage, mixing, and loading of heavy air tanker aircraft.
 - * The new facility would provide service to the 108 million acre South Zone that encompasses most of Southcentral & Southwest Alaska or about thirty percent of the state. This area includes the following State House Voting Districts 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, & 16 and the following Senate Voting Districts, C, D, E, F, G, H, I, J, K, M, N, and parts of R & T.
- * The Palmer Airport site has available undeveloped land, a 6,000 foot paved runway, community services, commercial support options, and is centrally located in the wildland fire protection area.
- * The proposed facility construction is initially estimated to cost \$6 million dollars. This consolidation has a net present value savings of \$1,956,662.81 and is anticipated to save approximately \$8,538,075.81 in operating costs over the next nineteen years, and the State will own the facility at the end of the lease term.

NET DEBT SERVICE

Palmer, Alaska COP's - Alaska Div. of Forestry
Wildland & Fire Prog. South Zone Facility Consol.

Date	Total Debt Service	Capitalized Interest	Net Debt Service
Feb 1, 1997	157,512.50	157,512.50	-
Aug 1, 1997	157,512.50	157,512.50	-
Feb 1, 1998	157,512.50	157,512.50	-
Aug 1, 1998	157,512.50	157,512.50	-
Feb 1, 1999	157,512.50	-	157,512.50
Aug 1, 1999	412,512.50	-	412,512.50
Feb 1, 2000	152,476.25	-	152,476.25
Aug 1, 2000	417,476.25	-	417,476.25
Feb 1, 2001	147,043.75	-	147,043.75
Aug 1, 2001	427,043.75	-	427,043.75
Feb 1, 2002	141,163.75	-	141,163.75
Aug 1, 2002	431,163.75	-	431,163.75
Feb 1, 2003	134,928.75	-	134,928.75
Aug 1, 2003	439,928.75	-	439,928.75
Feb 1, 2004	128,218.75	-	128,218.75
Aug 1, 2004	443,218.75	-	443,218.75
Feb 1, 2005	121,131.25	-	121,131.25
Aug 1, 2005	451,131.25	-	451,131.25
Feb 1, 2006	113,541.25	-	113,541.25
Aug 1, 2006	458,541.25	-	458,541.25
Feb 1, 2007	105,433.75	-	105,433.75
Aug 1, 2007	470,433.75	-	470,433.75
Feb 1, 2008	96,582.50	-	96,582.50
Aug 1, 2008	481,582.50	-	481,582.50
Feb 1, 2009	87,053.75	-	87,053.75
Aug 1, 2009	487,053.75	-	487,053.75
Feb 1, 2010	76,953.75	-	76,953.75
Aug 1, 2010	501,953.75	-	501,953.75
Feb 1, 2011	66,010.00	-	66,010.00
Aug 1, 2011	511,010.00	-	511,010.00
Feb 1, 2012	54,328.75	-	54,328.75
Aug 1, 2012	524,328.75	-	524,328.75
Feb 1, 2013	41,873.75	-	41,873.75
Aug 1, 2013	536,873.75	-	536,873.75
Feb 1, 2014	28,756.25	-	28,756.25
Aug 1, 2014	553,756.25	-	553,756.25
Feb 1, 2015	14,712.50	-	14,712.50
Aug 1, 2015	564,712.50	-	564,712.50
	10,410,492.50	630,050.00	9,780,442.50

Present Value of On-going Expenditures

Date	Future Value Amount @ 4.85%	Present Value Amount @ 4.50%	Present Value Amount @ 5.00%	Present Value Amount @ 5.50%
01/01/99	282,900.00	277,702.75	277,138.20	276,576.17
01/01/00	296,620.65	278,497.94	276,577.66	274,675.25
01/01/01	311,006.75	279,295.40	276,018.25	272,787.40
01/01/02	326,090.58	280,095.15	275,459.98	270,912.52
01/01/03	341,905.97	280,897.19	274,902.83	269,050.53
01/01/04	358,488.41	281,701.52	274,346.81	267,201.34
01/01/05	375,875.10	282,508.16	273,791.91	265,364.85
01/01/06	394,105.04	283,317.10	273,238.14	263,540.99
01/01/07	413,219.14	284,128.37	272,685.49	261,729.66
01/01/08	433,260.26	284,941.95	272,133.95	259,930.79
01/01/09	454,273.39	285,757.87	271,583.53	258,144.27
01/01/10	476,305.65	286,576.12	271,034.23	256,370.04
01/01/11	499,406.47	287,396.72	270,486.03	254,608.00
01/01/12	523,627.68	288,219.66	269,938.94	252,858.07
01/01/13	549,023.63	289,044.96	269,392.96	251,120.16
01/01/14	575,651.27	289,872.63	268,848.09	249,394.21
01/01/15	603,570.36	290,702.66	268,304.31	247,680.11
01/01/16	632,843.52	291,535.07	267,761.64	245,977.80
01/01/17	663,536.43	292,369.87	267,220.06	244,287.18
01/01/18	695,717.95	293,207.05	266,679.58	242,608.19
01/01/19	729,460.27	294,046.63	266,140.20	240,940.73
01/01/20	764,839.09	294,888.62	265,601.90	239,284.74
01/01/21	801,933.79	295,733.02	265,064.69	237,640.13
01/01/22	840,827.58	296,579.83	264,528.57	236,006.82
01/01/23	881,607.72	297,429.07	263,993.53	234,384.74
01/01/24	924,365.69	298,280.75	263,459.58	232,773.80
01/01/25	969,197.43	299,134.86	262,926.70	231,173.94
01/01/26	1,016,203.50	299,991.41	262,394.91	229,585.07
01/01/27	1,065,489.37	300,850.42	261,864.19	228,007.13
01/01/28	1,117,165.61	301,711.89	261,334.54	226,440.02
	18,318,518.31	8,686,414.64	8,074,851.42	7,521,054.63

Present Value of Net Debt Service

Date	Future Value Amount	Present Value Amount @ 4.50%	Present Value Amount @ 5.00%	Present Value Amount @ 5.50%
02/01/99	157,512.50	154,046.45	153,670.73	153,298.84
08/01/99	412,512.50	394,557.66	392,635.34	390,727.03
02/01/00	152,476.25	142,630.45	141,589.36	140,558.37
08/01/00	417,476.25	381,925.37	378,212.88	374,545.39
02/01/01	147,043.75	131,561.85	129,965.25	128,391.84
08/01/01	427,043.75	373,673.65	368,238.49	362,895.34
02/01/02	141,163.75	120,803.63	118,756.16	116,748.25
08/01/02	431,163.75	360,857.48	353,876.17	347,046.44
02/01/03	134,928.75	110,442.10	108,041.28	105,698.30
08/01/03	439,928.75	352,167.42	343,671.64	335,400.76
02/01/04	128,218.75	100,381.82	97,721.25	95,137.43
08/01/04	443,218.75	339,358.18	329,557.91	320,063.51
02/01/05	121,131.25	90,705.39	87,871.08	85,131.91
08/01/05	451,131.25	330,382.08	319,277.85	308,572.55
02/01/06	113,541.25	81,321.23	78,396.32	75,583.36
08/01/06	458,541.25	321,192.46	308,884.82	297,077.06
02/01/07	105,433.75	72,227.61	69,290.54	66,479.62
08/01/07	470,433.75	315,180.09	301,626.08	288,685.87
02/01/08	96,582.50	63,284.22	60,415.03	57,682.45
08/01/08	481,582.50	308,606.00	293,895.81	279,920.10
02/01/09	87,053.75	54,557.92	51,830.61	49,245.78
08/01/09	487,053.75	298,527.21	282,912.32	268,149.27
02/01/10	76,953.75	46,128.94	43,609.48	41,233.26
08/01/10	501,953.75	294,268.72	277,517.88	261,757.88
02/01/11	66,010.00	37,846.60	35,605.17	33,501.48
08/01/11	511,010.00	286,538.62	268,911.20	252,407.24
02/01/12	54,328.75	29,793.41	27,892.37	26,116.82
08/01/12	524,328.75	281,210.03	262,624.62	245,308.40
02/01/13	41,873.75	21,963.71	20,462.08	19,066.40
08/01/13	536,873.75	275,405.54	255,950.63	237,912.50
02/01/14	28,756.25	14,428.78	13,374.96	12,402.11
08/01/14	553,756.25	271,701.79	251,278.28	232,434.22
02/01/15	14,712.50	7,059.88	6,513.27	6,010.16
08/01/15	564,712.50	265,017.55	243,902.35	224,514.90
02/01/16	0.00	0.00	0.00	0.00
08/01/16	0.00	0.00	0.00	0.00
	9,780,442.50	6,729,751.83	6,477,979.16	6,239,702.81

STATEMENT OF ASSUMPTIONS

Palmer, Alaska COP's - Alaska Div. of Forestry
Wildland & Fire Prog. South Zone Facility Consol.

Bond Component Information - Serial Bonds Maturing 8/1/99 - 2016

Dated Date 8/01/1996
 Delivery Date 8/01/1996
 First Interest Payment Date 2/01/1997
 Interest Frequency Semiannual
 Interest Day Basis 30/360
 Interest Payment Option Paid until Maturity Date
 Serial/Term selection Serial Bond (Price to Actual Maturity)

Bond Component Maturity Data

Maturity Date	Issue Amount	Interest Rate	Yield	Price	Issuance Denomination
8/01/1999	255,000.00	3.950%	3.950%	100.000	5,000.00
8/01/2000	265,000.00	4.100%	4.100%	100.000	5,000.00
8/01/2001	280,000.00	4.200%	4.200%	100.000	5,000.00
8/01/2002	290,000.00	4.300%	4.300%	100.000	5,000.00
8/01/2003	305,000.00	4.400%	4.400%	100.000	5,000.00
8/01/2004	315,000.00	4.500%	4.500%	100.000	5,000.00
8/01/2005	330,000.00	4.600%	4.600%	100.000	5,000.00
8/01/2006	345,000.00	4.700%	4.700%	100.000	5,000.00
8/01/2007	365,000.00	4.850%	4.850%	100.000	5,000.00
8/01/2008	385,000.00	4.950%	4.950%	100.000	5,000.00
8/01/2009	400,000.00	5.050%	5.050%	100.000	5,000.00
8/01/2010	425,000.00	5.150%	5.150%	100.000	5,000.00
8/01/2011	445,000.00	5.250%	5.250%	100.000	5,000.00
8/01/2012	470,000.00	5.300%	5.300%	100.000	5,000.00
8/01/2013	495,000.00	5.300%	5.300%	100.000	5,000.00
8/01/2014	525,000.00	5.350%	5.350%	100.000	5,000.00
8/01/2015	550,000.00	5.350%	5.350%	100.000	5,000.00
6,445,000.00					

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Goal (Proposal)

Consolidate the South Zone Anchorage Office, the Big Lake Area Office, the Palmer initial attack trailer, the Palmer dispatch office, and the Eagle River Warehouse and Shop function into one facility located at Palmer Municipal Airport.

Increase operational efficiencies that will position Forestry to more effectively meet anticipated budget decreases in the future.

It is the intent of this proposal to capitalize on current relatively low interest rates while obtaining an adequate facility that the state will ultimately own as a net gain.

INTRODUCTION

AS:41:15:010 requires the Department of Natural Resources to protect State, Private and Municipal land from wildland fires. The state and federal fire management agencies have split the state in half, with the state protecting fire-prone lands in the southern half of the state and the federal government protecting fire-prone lands in the northern part of the state regardless of ownership. This cooperative approach to statewide fire management with the federal sector avoids costly duplication of suppression resources and is the most cost-effective approach to providing protection services.

Most of the state's area of responsibility encompasses high value, populated areas and marketable natural resources. Fires threaten these areas annually during spring, summer and fall. The state is responsible for approximately 134 million acres, including the road net, the rail belt and the major urban areas where 70 percent of Alaska's residents live.

Because of the large area the state protects, the Division of Forestry has divided the protection responsibility into two Fire Management Zones. Each zone supervises the fire control activities of several smaller administrative offices. The South Zone, headquartered in Anchorage, is responsible for oversight of all activities for the Anchorage, Mat-Su, Kenai-Kodiak, Valdez-Copper River, Haines, and the Southwest Area offices. Northern Zone, located in Fairbanks, oversees the Fairbanks, Delta and Tok Area offices.

The Division has consolidated its logistics, and warehousing into statewide operations as part of restructuring brought about by budget reductions. This restructuring has added additional responsibility to the two zone offices in managing statewide fire operations. The two offices currently work out of several locations including older buildings with inadequate office space. There are some significant cost savings and built-in efficiencies by consolidating the operation and functions of the two offices into modern, manageable facilities and a centralized location.

South Zone Consolidation

Why Project is Needed: (Current Situation)

There are two objectives of the fire program consolidation project: The first is to combine all of the South Zone fire management program functions including aviation, Palmer Base retardant site, Eagle River equipment shop and warehouse, logistics and management into a centrally located facility. The second objective is to provide a more publicly accessible work location for the Anchorage Mat-Su Area Office, currently located at Big Lake.

Consolidating the South Zone fire management functions at a central location will significantly improve the overall management of the South Zone key program components (warehousing, logistics, equipment maintenance and aviation). It is anticipated that major improvements in coordination will occur, duplication of tasks will be eliminated, travel time will be reduced, the number of accidents will be lowered, and productivity will be improved significantly (along with employee morale). Currently, the functional units are scattered between the Frontier Building, Eagle River and Palmer. This has made supervision, communications and coordination between the offices a real challenge.

The Anchorage/Mat-Su Area office (AMSAO) will benefit in the same ways as the Zone office (outlined above). The public will benefit immensely from improved access to the office. Both the fire and resource management programs will be more accessible. The current location, which is 8.2 miles off the Parks Highway, has been very unpopular with the public and marginally accessible during part of the winter. It is actually located past the cut-off for state road maintenance.

The South Zone maintains offices and facilities in Anchorage (at the Frontier Building), Eagle River (off the frontage road near Hiland Road), and Palmer (airport) to carry out its obligation to provide wildland fire protection services. Anchorage Mat-Su Area maintains offices and facilities in Big Lake and Palmer to provide fire control activities in its protection area. Response from these facilities are primarily to human caused fires in the populated urban interface areas of Southcentral Alaska. Office and facility purpose are summarized as follows:

Anchorage (Frontier Building)

This office provides zone-wide program direction, policy guidance, management of fire support facilities, and contract administration. This is the coordination point between the geographic areas of the Mat-Su Valley, Kenai Peninsula-Kodiak Island, Copper River Basin and Southwestern Alaska for the allocation of suppression resources. Current office space costs \$2.15 per square foot. Lease arrangements for this space have been renewed until January 2000. The required approval for marketing certificates, design, and construction will take approximately 2 years to complete. Phased occupancy to avoid fire season and seasonal workload peaks would result in occupancy by March 1999. Historically, lease space in the Frontier Building has been in high demand.

Eagle River

South Zone maintains a warehouse and shop facility to support area field operations. Additional equipment and supplies are routinely transported as air cargo when fire activity exceeds the limited capabilities of area field office warehouses. An average of 500,000 pounds of cargo is moved from this facility each year.

Because the facility is not located adjacent to a major airport, tools, supplies, food and equipment must be transported by vehicle to and from an airport. Anchorage International Airport is 18 miles from the facility. The Palmer Airport is 30 miles away and is often used as the departure point because airtankers can be more safely based in less congested airspace. Security at Eagle River has historically been a problem due to its isolated location. An estimate of the value of lost, stolen and damaged equipment, facilities and other miscellaneous items is \$15.0 per year. Current inventory value of the equipment and supplies housed at the facility is \$1.5 million. The equipment repair shop at Eagle River maintains fire vehicles, pumps, saws, and other fire related equipment to support the areas in South Zone.

Palmer

South Zone maintains a dispatch center and air attack base located at Palmer Municipal Airfield. The site is essential to the division's capability to provide air attack and fire retardant aircraft support to fires within the greater Anchorage area, the Mat-Su Valley and the Kenai Peninsula. 44,000 gallons of retardant are delivered and dropped on fires from the site annually. During periods of high fire danger smoke jumpers are also stationed at the base. Ramp space is made available to park rental and contract aircraft. Office space and ramp space for the retardant site are leased from a private vendor.

Anchorage Mat-Su area operates its initial attack engine and helitack operations from the Palmer airport. The area is currently using a surplus trailer house for its operations that is without water or sewer for the firefighters positioned there.

Big Lake

Initial Attack forces (fire engines and helitack) are managed by the Anchorage Mat-Su Area Office located 8.2 miles west of the Parks Highway and 20 miles northwest of Wasilla. The office has poor access for the public and is too isolated for an initial attack base. The current office does not completely meet the Americans for Disabilities Act (ADA) regulations and is too small for the area dispatch/logistics function. The area responded to 100 fires in 1995 and issues 1,025 burning permits annually. The area moved its helitack operations to the Palmer Airport in 1993.

Management of wildland fires is difficult enough without the added burden of inadequate facilities. The Anchorage Mat-Su Area could serve the 49,000 residents of the protection area better if dispatch/logistics and initial attack operations were consolidated at the Palmer Airport. It may be prudent to move the entire area operation to Palmer to facilitate better service to the public.

The South Zone Office needs to consolidate its operations from three locations to one. This move will aid in the management of the zone's activities and will be more cost effective. The building of one facility at Palmer will enable both the zone and area office to operate more efficiently and serve the public better.

Project Support/Position

The public and employees who use the facilities will support consolidation. The City of Palmer is supportive as it would increase the local market to supply fire fighting commodities, provide additional job opportunities and increase use of local restaurants and motels. A DOF analysis provides a more in-depth look at the impact on the Palmer economy. A copy of the summary is included in the appendix labeled as "Expenditure Potential for Palmer and Vicinity". A breakdown of the dollars is as follows (thousands of dollars):

Personal Services	\$1,623.0
Travel	56.6
Contractual	523.6
Supplies	127.8
Equipment	79.9
TOTAL	\$2,410.9

It is readily apparent that the DOF consolidation will increase the State's economic contribution to the Palmer economy.

Additional Support: Because the division provides fire protection on lands in federal ownership on a reimbursable basis, the federal government will support the lowered cost of suppression support expenses. No opposition is anticipated.

Structure Fire Districts and the Municipality of Anchorage will support the project. The division provides helicopter and retardant support to these organizations through agreements. Improved operations within the division translates into an improved ability to support joint fire suppression operations.

Anticipated Cost Savings

There are some notable cost savings that will be realized, besides the intangible benefits outlined under general impacts (above). The following areas were considered in some detail:

1. Shipping/Freight Handling Costs: Consolidation may not seem to result in much of a savings in this area. However, if incoming freight is shipped FOB Palmer, there could be considerable savings in handling and freight costs.
2. Risk Management Charges: A savings will be realized in risk management charges which are incurred for each facility. This will result in the following savings (thousands of dollars):

Eagle River Warehouse & Shop	\$3.6
Big Lake Facility .....	.4
TOTAL	\$4.0

3. Reduced Employee (EFF) Costs: Some reduction in the number of employees is anticipated. Two expeditors (drivers) would not be needed at South Zone as often due to the consolidated work location. This could result in a savings of about \$20.0 thousand annually. An additional EFF (emergency firefighter) employee could be eliminated at Big Lake for a savings of about \$10.0.
4. Reduced Vehicle Requirements: A minor reduction in the fleet size is anticipated. An estimated \$2.4 thousand will be realized at South Zone, and \$1.2 at Big Lake for a combined savings of \$3.6.
5. Facilities Maintenance: A significant savings in facilities maintenance will be realized. Both the Big Lake facility and the Eagle River facility have required significant upgrades and continuous high cost maintenance. Savings realized:

<u>Big Lake Facility</u>	
Janitorial Services	\$.8
Snowplowing .....	.5
Other Snow Removal Costs .....	.2
Commodities (light bulbs, supplies, etc.) .....	.8
Lumber, Electrical & Plumbing supplies	2.5
Septic Pumping .....	.6
Paint and Finishing Supplies .....	.6
Pipe & Sewer Thawing .....	.3
Carpet Cleaning .....	.2
Landfill Fees .....	.2
Equipment Replacement	1.0
Gas & Equipment Supplies .....	.4
TOTAL	\$ 8.1

Eagle River Facility

Janitorial Supplies	\$.2
Snowplowing	1.5
Other Snow Removal Costs .....	.4
Commodities (light bulbs, supplies, etc.)	2.7
Lumber, Electrical & Plumbing supplies	6.0
Septic Pumping .....	.6
Paint and Finishing Supplies .....	.6
Pipe & Sewer Thawing	1.0
Parts and Supplies	3.7
Landfill Fees .....	.6
Equipment Replacement .....	.5
Gas & Equipment Supplies	<u>.4</u>
TOTAL	\$20.2

6. Underground Storage Tank Facilities: The fuel tank mitigation costs are for underground fuel storage, which is currently not regulated by EPA or DEC for replacement. Both indicate that they anticipate regulation in the near future, which will require initial and annual testing. From our experience with aviation fuel and leaking tanks, plus the age of our underground fuel tanks, replacement with above ground tanks is a priority with or without regulation. The cost to remove the tanks would be required with or without the Palmer move, but the replacement costs are for double walled tanks installed to specifications (assuming they are similar to aviation fuel). This may be one of the larger benefits of consolidation. This may save \$20.0 thousand (or more) at Eagle River and Big Lake initially. The reduced exposure from rust events (resulting from having fewer tanks) may be more significant but difficult to assess in dollar value. Fuel spills have cost other agencies hundreds of thousands of dollars and the opportunity to sidestep this risk is very attractive. The in-place fuel vendors at Palmer Airport are very supportive of this proposal.

7. Ramp/Office Space Rental: This will be a savings after the new facilities are completed. Annually, this will save about \$27.0.

8. Aircraft Storage Costs: Eliminating aircraft hangar rental and tie-down charges for FEPP aircraft will save \$28.8 thousand annually.

9. Reduced Office Space Costs in Frontier Building: The South Zone fire management offices currently occupy approximately 4,200 square feet of space at a cost of about \$2.15 per foot per month. A net savings of about \$103.2 thousand per year will be realized.

10. Travel Costs: Costs for travel between the various offices are difficult to estimate, however, a significant gain in overall management efficiency is anticipated.

11. Facilities Upgrade Options: There is one significant facilities upgrade option planned, the Big Lake Area Office, which is currently located in two residential type buildings. A conservative estimate of the replacement cost of the two facilities is \$450.0. This does not include the Palmer Initial Attack Base and Area Shop/Warehouse. Replace all facilities, including out buildings, etc., will cost \$1,759.0 thousand.

12. Total Savings: The following table illustrates the overall savings from consolidation (refer to "Cost Savings" in the Appendix):

Annual savings	\$282.9
FY 99 Savings	24.8
FY 00 Savings	257.5
FY 01 Savings	<u>1,759.0</u>
 * PROJECTED 20 YEAR SAVINGS	 \$7,699.3

*annual savings times 20 years plus FY 99-01 savings

CONSOLIDATED FACILITY NEEDS

Space needs analysis: The DOF completed a space needs analysis for the proposed consolidated facility. A break down of the needs analysis is summarized below. The complete spreadsheet is included in the Appendix, entitled "Initial Space Request".

Administrative Office Space	16,041.2 sq.ft.
MSAO Fire Station (Operations)	7,805.0 "
Maintenance Facility (Shop)	21,885.0 "
Warehouse	9,411.0 "
MSAO Helibase	1,141.0 "
Aviation Office	4,403.0 "
Hangar	18,400.0 "
TOTAL	79,086.2 sq.ft.

The DNR Division of Parks and Outdoor Recreation (DOPOR), Design and Construction Section, completed a purely conceptual sketch of the proposed facility which is included in the appendix. Additional ramp space designed to support heavy aircraft (greater than 12,500 pounds) as well as parking areas for employees and equipment will also be needed. The warehouse and shop will have specialized needs for tractor-trailer parking/loading areas and a small fuel storage area for filling drip torches, pumps, etc., will also be necessary.

It is anticipated that more comprehensive plans and design work will commence upon initial approval of the project. The many details surrounding a proposal of this magnitude will be addressed in that phase of the project.

Cost: Current estimates of the facility cost vary depending on costing out the necessary site improvements, such as the ramp area, parking and other related needs. It is expected that most of these costs can be incorporated into planned airport improvement projects planned for the next few years. A good estimate by local engineers puts the building cost at 6 million dollars.

Anticipated Costs:

Three categories of one-time costs have been identified that would be incurred with a move to a Consolidated Facility. Because of the technical expertise and LTC availability in Forestry, substantial cost savings can be realized. For example, part of Forestry's job is moving items to and from fires - use of existing employees from Labor, Trades and Crafts, as appropriate, with additional temporary help they may require can accommodate some move expenses. Similarly, Forestry and DNR have expertise available in computer installation that could be available.

Moving Costs (\$500. X 37 positions and Misc. Moving)	\$28.5
Phones Move and Installation\$	\$ 5.0
Computer Moving and Installation	<u>\$10.0</u>
TOTAL	\$43.5

CONCLUSION

The consolidated South Zone Fire Management Facility stands on its own as a good business move for the Division of Forestry and the City of Palmer. From a cost savings viewpoint, consolidation appears to be cost effective. More efficient and economic operations will result under consolidated work locations. The intangible benefits may actually outweigh the cost savings benefits. The question should not be "Can we afford this facility?", but one of "How long can we continue to operate in the inefficient manner in which we have been forced to do business?"

CITY OF PALMER, ALASKA

RESOLUTION NO. 1049

A RESOLUTION SUPPORTING ALASKA STATE DIVISION OF FORESTRY CONSOLIDATION PROJECT AT THE PALMER MUNICIPAL AIRPORT.

WHEREAS, the Alaska State Division of Forestry proposes to consolidate its operations from Eagle River, Anchorage, Big Lake, and existing operations at Palmer, and

WHEREAS, the Alaska State Division of Forestry has researched the proposed project and has determined it will increase the overall efficiency and effectiveness of this operation, and

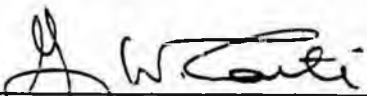
WHEREAS, the Alaska State Division of Forestry has determined that by doing this consolidation it will save in operating expenses \$8.9 million, and

WHEREAS, the City of Palmer does have undeveloped land available at its airport site for a project such as this.

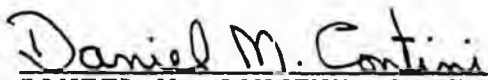
NOW, THEREFORE, BE IT RESOLVED that the City of Palmer supports the Alaska State Division of Forestry proposal to consolidate its operations at the Palmer Municipal Airport site.

BE IT FURTHER RESOLVED that the City of Palmer will work closely with the Division for this project's success including the issuance of "Certificates of Participation" by the City of Palmer and backed by the State of Alaska.

Passed and approved by the Palmer City Council this 28th day of March, 1995.



GEORGE W. CARTE, MAYOR



DANIEL M. CONTINI, ACTING CITY CLERK

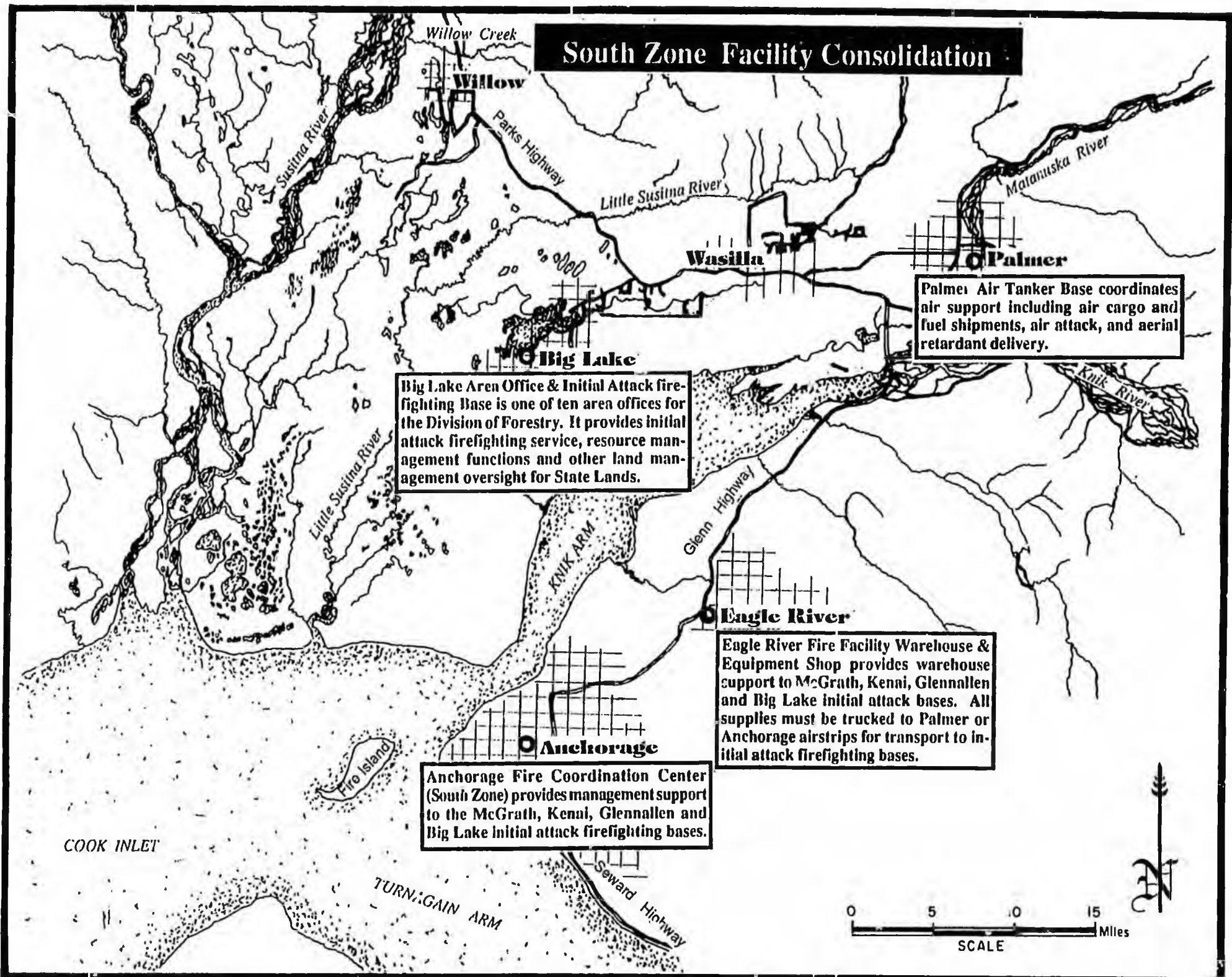
South Zone Facility Consolidation

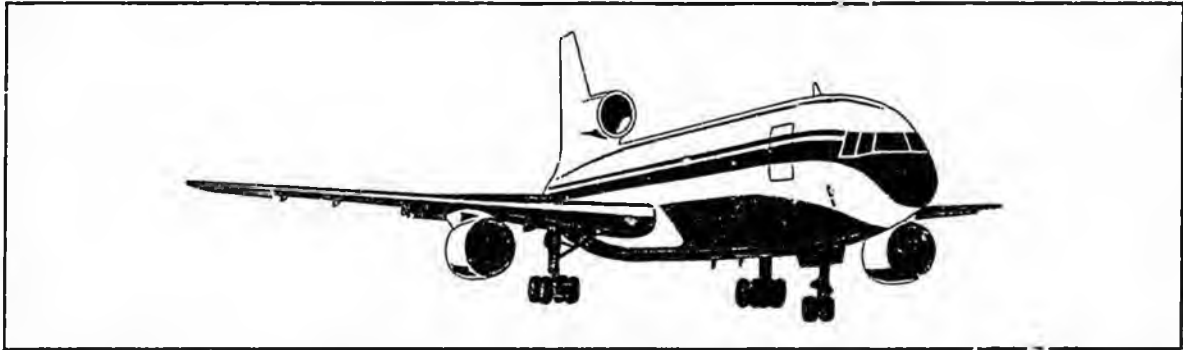
Big Lake
Big Lake Area Office & Initial Attack fire-fighting Base is one of ten area offices for the Division of Forestry. It provides initial attack firefighting service, resource management functions and other land management oversight for State Lands.

Palmer
Palmer Air Tanker Base coordinates air support including air cargo and fuel shipments, air attack, and aerial retardant delivery.

Eagle River
Eagle River Fire Facility Warehouse & Equipment Shop provides warehouse support to McGrath, Kenai, Glennallen and Big Lake initial attack bases. All supplies must be trucked to Palmer or Anchorage airstrips for transport to initial attack firefighting bases.

Anchorage
Anchorage Fire Coordination Center (South Zone) provides management support to the McGrath, Kenai, Glennallen and Big Lake initial attack firefighting bases.





Palmer Municipal Airport

The Palmer Municipal Airport, 40 road-miles from Anchorage is close to the Glenn Highway and connected by spur to the Alaska Railroad.

Runway #15-33 is 6,000' long by 100' wide and Paved with exit and apron taxiways. Runway #9-27 is 3615' by 100' and is also paved. It has a full parallel taxiway.

There are two apron areas: one on the northwest side which is designed to provide general aviation tie-downs and serves fixed-base operators; the second apron on the south and southwest end of the runway serves heavier cargo operations and industrial operators.

There are 105 tie-down spaces. Transient parking fees are \$2.00 per day. Monthly tie-down fees on pavement are \$15.00. Covered hangar space is available from private operators. Downtown Palmer is 2 miles from the airport.

Developed lots including sewer and water are available for lease from the city of Palmer for \$0.04 per square foot annually. Larger, yet undeveloped areas are also available and will be developed on demand in cooperation with the lessor.

The following Companies are presently located at the Palmer Airport:

HINCHINBROOK CHEVRON
Transient Tie downs & Service
Plug-ins. Preheat
Rental Vehicles
Hangar Space
24-hour credit-card aviation fuel

B&J CUSTOM AIRCRAFT ENGINES
Aircraft Engine Repair

AIRCRAFT PAINTING CENTER
Complete Aircraft Painting Service
Aircraft Maintenance

NUGGET AVIATION
Flight Service. Flight School
Aviation Fuel

WOODS AIR
Air transportation for cargo and passengers
Specialized cargo service.

GALLAGHER ELECTRIC
Electric contracting in rural Alaska

GLACIER AIRCRAFT PARTS

NEW HORIZON CONSTRUCTION

NORTH STAR FUEL

ALASKA MAN FLIGHT SERVICE

SKY PRO FLIGHT SERVICE

EXPENDITURE POTENTIAL FOR PALMER AND VICINITY

CC DESCRIPTIONS

FY95 ACTUALS IN THOUSANDS

	PERSONAL	SERVICES	TRAVEL	CONTRACTUAL	SUPPLIES	EQUIPMENT	TOTAL
5630 Presuppression AMAO		387.1	1.4	39.1	29.2	7.0	463.8
1131 Reforestation AMAO				7.4	8.0		15.4
0635 JML Timber Sales AMAO		30.8		9.0	3.8		43.6
0636 Forest Stewardship AMAO		22.4		1.1	0.9		24.4
0637 Forest Practices AMAO		61.1	8.4	2.0	0.4		71.9
0332 ASD Student Intern Program		37.3	0.3	4.1	5.6		47.3
0330 Presuppression South Zone		377.0	3.2	110.5	5.3	36.1	532.1
0331 Presuppression SZ Admin			2.9	10.8	4.1	18.7	36.5
0336 Presuppression SZ Shop				17.5	24.6	1.2	43.3
0337 Presuppression SZ Warehouse			1.2	1.6	5.2		8.0
8417 (EST) Presuppression SZ Fed		37.0	2.1	0.2	0.4		39.7
8411 (EST) Forest Stewardship SPST		45.6	2.0	8.0	0.5		56.1
0132 Presuppression Ak Fire Mgmt		82.0	2.0	10.1	0.4	5.4	99.9
0135 Presuppression SW Training		0.1	12.9	16.8	3.4	0.2	33.4
0334 Presuppression Logistics			2.3	3.4	3.0	4.3	13.0
17033 EFF Crew Payroll		155.0					155.0
Overhead and Crew Subsistence (EST)				100.0			100.0
36501 Suppression AMAO		211.7	1.0	149.9	12.7		375.3
0233 Southern Aviation			1.0	5.9	13.4		20.3
0139 Fire Aviation Pers		175.9	15.9	26.2	6.9	7.0	231.9
TOTAL		1623	56.6	523.6	127.8	79.9	2410.9

Palmer Consolidated Facilities

<u>Fiscal Year</u>	<u>Item</u>	<u>Savings</u>
Annual	Eliminate Hangar charges for State (FEPP) Aircraft	28.8
Annual	Eliminate ramp and office space at Palmer	27.0
Annual	South Zone: reduce office space costs in Frontier Building 4,000 sq. ft. at \$2.15/sq. ft. /month Annual savings	103.2
Annual	Two expeditors (drivers) at South Zone	20.0
Annual	One EFF employee at Big Lake	10.0
Annual	Eagle River shop, whse and storage risk mgt chgs	3.6
Annual	Eagle River Facility maintenance and repair (general)	47.0
Annual	Big Lake Facility maintenance and repair (general)	3.3
Annual	Big Lake shop, office and whse risk mgt chgs	0.4
Annual	One FEPP vehicle can be eliminated at Big Lake	1.2
Annual	Reduced vehicle operating costs in South Zone.	2.4
Annual	Eagle River 6 mo wages for maintenance worker	21.0
Annual	Reduced losses from theft, damage.	<u>15.0</u>
	ANNUAL TOTAL	282.9
1999	Big Lake facility savings by not installing new fuel tank and system	20.0
1999	Eagle River upgrade electrical service in grey building	2.0
1999	Eagle River add crushed rock (D-1) to driveway	2.0
1999	Eagle River repair footings in front of grey bldg	<u>0.8</u>
	1999 TOTAL	\$ 24.8
2000	Add insulation to Eagle River shop interior walls	1.5
2000	Sewer line assessment cost for Eagle River	151.0
2000	Construct Eagle River vehicle storage unit (cover)	20.0
2000	Security fencing for shop complex	75.0
2000	Install electrical service to Eagle River facility gas shed	5.0
2000	Extend roof eaves on E.R. warehouse to eliminate glaciation ...	<u>5.0</u>
	2000 TOTAL	\$257.5
2001	Big Lake Office construction (replacement)	<u>\$1,759.0</u>
	TOTAL	\$1,759.0