

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$2,101,242 – \$2,473,242	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$2,101,242 – \$2,473,242	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB397 would move the Nebraska Game and Parks Commission (NGPC) headquarters to Sidney, Nebraska effective January 1, 2025. The NGPC would also be authorized to enter into an agreement with the city of Sidney for an office building for the NGPC headquarters, related buildings and facilities. This may include the renting of existing building and facility space.

The Nebraska Game and Parks Commission (NGPC) has indicated they would expect annual rent of \$960,000 - \$1,200,000 in order to secure an existing facility in Sidney, which would meet the square foot needs of NGPC. The NGPC used the Nebraska Department of Administrative Services average lease rate of \$16-\$20/ft², and a proposed office space of 60,000ft², to arrive at this estimated rent. With an effective date of January 1, 2025, there would only six months of expenditures for rent at the end of the biennium included in the boxes above. There are no rental expenses currently incurred by NGPC for their headquarters in Lincoln, Nebraska. In addition to rent, it is likely the NGPC would need to modify any existing buildings to meet their needs of office space, meeting space, mailroom/delivery docks and fishery/wildlife research needs at a potential expense of \$1,000,000.

The NGPC has estimated the moving costs in FY2024-25 to be \$573,225 - \$825,225, for the relocation of not only the office contents, but also the staff. These costs are dependent upon the number of staff willing to move to Sidney from Lincoln. This moving of staff could take a long length of time, as there is a limited number of single-family homes currently available in Sidney. Hence, temporary lodging and storage for those willing to move would be necessary.

In addition, NGPC is projecting travel costs for 6 months once the agency would be located in Sidney, would increase \$48,017. NGPC would have to travel further back to Lincoln for meetings, testimony, coordination with partners. In addition, the agency would have increased travel costs to reach other NGPC parks, hatcheries, and other agency sites. Only 6 months of travel (\$48,017) is estimated in the boxed figures above, for January 1, 2025 – June 30, 2025.

NGPC has estimated a minimum repayment amount of \$1,946,900 back to the U.S. Fish and Wildlife Service, should the current Lincoln building not be retained and utilized by NGPC (as the building was built using Federal funds). For the purposes of this fiscal note, we will assume the building would be kept as a District Office for NGPC. This would be reasonable given NGPC does not have to pay rent on that building, would still need a district location nearby, and would be traveling to Lincoln frequently for administrative purposes, outreach, and coordination. Hence, this potential repayment amount is not included in the expenditure boxes above.

Note the estimates in the boxes above show a range of amounts, reflecting the lower to the upper range of potential moving and travel costs approximated by NGPC. Additionally, Cash Fund expenditures are being reflected in the boxes above. However, NGPC has stated in their fiscal note that they do not have current Cash Fund balances sufficient to support LB397, if that is the case, then General Funds would be required.

Other than not including the potential \$1,946,900 repayment to the U.S. Fish and Wildlife Service, there is no basis to disagree with the NGPC fiscal impact estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 397	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY: Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173	
COMMENTS: The Nebraska Game and Parks Commission's estimated fiscal impact to the commission appears reasonable as a result of LB 397. The range of increased expenditures provided by the commission appears reasonable.			

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2023

LB⁽¹⁾ 397 – Relocate NGPC HQ to Sidney Nebraska

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Kay Mencl Date Prepared: ⁽⁴⁾ 1/17/2023 Phone: ⁽⁵⁾ 402-471-5189

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	4,048,142 – 4,420,142	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	4,048,142 – 4,420,142	=====

Explanation of Estimate:

The proposed legislation would require the headquarters of NGPC be relocated to Sidney, Nebraska by January 1, 2025.

The current Lincoln location consists of two buildings built and opened in the early 1970s, with provided parking and a connected second story walkway. The utility systems (heating, cooling, water, communications, etc.) are integrated between the two buildings. Major repairs to the heating and cooling systems have been made in the last 10 years to extend the lifespan of the headquarters buildings.

One current building was built using Federal funds from PR/DJ, and if vacated or the use is converted to a different purpose, the current appraised value of that building would need to be repaid to the US Fish and Wildlife Service. Because of the integrated systems, it would be difficult to separate (sell) the other building, and any leasing arrangements could be challenging as well. Using the 2023 Lancaster County Assessor’s valuation, this would require a minimum payment of \$1,946,900.00, if not retained and utilized as District office space.

A District Office setting, with facilities occupied by wildlife, fisheries, and office staff (approx.10 people), would remain in Lincoln to continue work within the Southeast District. The Operations and Construction staff would retain their location on Y Street. Suitable office space for the District staff would need to be obtained IF NOT remaining in the Federal funded building.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
Benefits.....	_____	_____	_____	480,000- 600,000
Operating.....	_____	_____	_____	48,017
Travel.....	_____	_____	_____	1,946,900
Capital outlay REPAY USFWS FOR BUILDING	_____	_____	_____	573,225 – 825,225
Aid ONE TIME MOVING EXP	_____	_____	_____	1,000,000
Capital improvements New Bldg Modifications	_____	_____	_____	_____

TOTAL.....

	4,048,142 –
	4,420,142

NGPC currently pays no rent on the two buildings (64,446 ft²) currently occupied by approximately 180 staff. Finding a new building to fit the needs of the Agency, including meeting spaces, adequate staff and public parking, mailroom receiving/delivery dock and fishery/wildlife research needs, will likely require modifications to any existing property. Potential modification, based on property owner willingness, could cost over \$1,000,000.00 dollars.

Using Administrative Services average ANNUAL lease rate (\$16-\$20/ft²), and for purposes of this note, 60,000 ft² of space will be used at the office space rent rate. Included in that space would be storage, conference, and mail/order processing space and may allow for a lower rental rate for those portions. Annual rent of \$960,000 to \$1.2 million would not be unexpected. With the effective date, only 6-months of rent would be accounted for in this note.

If no existing space meets Agency needs at the time of the mandated move, new construction could run from \$275 (low average for single-story commercial building) to \$591 (government administration building) per ft² (Source: www.levelset.com/blog/commercial-construction-cost-per-square-foot). Additional funding would be requested for other potential site preparation and infrastructure needs (parking, storm water management, service of utilities, road improvements, etc.). Actual costs would be dependent upon the local construction environment at the time of bidding/construction.

Moving Costs per square foot for a 60,000 square foot building would range from \$30,000 to \$180,000 at a minimum. The loading of a semi-truck would need to be done by professionals that know about the weight distribution of a trailer, not something our staff would do. The disassembly and re-assembly of cubicles would have a cost as well as the use of a space planner for the new location to map the layout.

To relocate staff the 347 miles, the agency would hire a moving company at the cost of approximately \$3,000 per household. Covering the moving costs of the 170 staff (at 100% retention) would require \$510,000.00. If only 80% (136) of staff agree to move, the cost goes to \$408,000.00. State authorized temporary lodging and storage of personal belongings for 45 people (those who go out first to set up) would be approximately \$135,225.00. (45 motel rooms @ \$98/day (GSA Rate) for 30 days = \$132,300.00, plus 45 storage units @ \$65/mo. = \$2,925.00).

Based on currently advertised housing availability (23 houses with three or more bedrooms checked on realtor.com 2023), it is quite likely that a move would need to be made over time to ensure suitable/affordable staff/family housing is available (i.e. constructed) prior to full movement, or a significant increase in the temporary lodging and storage needs would be necessitated.

Future travel back to the Lincoln area would be necessary for various staff for Legislative updates/testimony, coordination with UNL School of Natural Resources and other conservation partners, etc. Divisional staff would have farther to travel to office, park, hatchery, and other locations since over 60% of NGPC areas (excluding WMAs) are on the east side of Nebraska. Estimates are figured by taking a 20% increase over the FY21-22 total travel expenses, an increase of \$96,034.00 per year. Only 6-months expenses are reported here.

Additional staffing in either the District Office or the relocated Headquarters may be necessary. Job duties of positions assigned to each site will need to be determined, and especially if staff currently doing the work of both areas (District & Statewide) are to be assigned to just one of the locations.

Current cash fund balances are not sufficient to support such a move and thus general fund dollars would be required.

