STATE OF CALIFORNIA
Capital Outlay Budget Change Proposal (COBCP) - Cover Sheet
DF-151 (REV 07/21)

Fiscal Year	Business Unit	Department	Priority No.
2026-27	3540	Forestry and Fire Protection	MA-16

Budget Request Name	Capital Outlay Program ID	Capital Outlay Project ID
3540-025-COBCP-2026-GB	2485	0016322

Project Title
Property Acquisition: Happy Valley Fire Center

Project Status and Type
Status: ☒ New ☐ Continuing Type: ☒Major ☐ Minor

Project Category *(Select one)*

☐CRI *(Critical Infrastructure)*	☐WSD *(Workload Space Deficiencies)*	☐ECP *(Enrollment Caseload Population)*	☐SM *(Seismic)*
☒FLS *(Fire Life Safety)*	☐FM *(Facility Modernization)*	☐PAR *(Public Access Recreation)*	☐RC *(Resource Conservation)*

Total Request (in thousands)	Phase(s) to be Funded	Total Project Cost (in thousands)
$ 6,000	Acquisition	$ 6,000

Budget Request Summary

The California Department of Forestry and Fire Protection (CAL FIRE) requests $6,000,000 General Fund for the acquisition phase of Property Acquisition: Happy Valley Fire Center project located in Shasta County. This is a new project. The total estimated project costs are $6,000,000.

Requires Legislation	Code Section(s) to be Added/Amended/Repealed	CCCI
☐ Yes ☒ No		

Requires Provisional Language	Budget Package Status
☐ Yes ☒ No	☐ Needed ☒ Not Needed ☐ Existing

Impact on Support Budget

One-Time Costs	☒ Yes	☐ No	Swing Space Needed	☐ Yes	☒ No
Future Savings	☒ Yes	☐ No	Generate Surplus Property	☐ Yes	☒ No
Future Costs	☐ Yes	☒ No			

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Department Director	**Date**	**Agency Secretary**	**Date**

Department of Finance Use Only

Principal Program Budget Analyst	Date submitted to the Legislature
Michael McGinness	1/9/2026

A. COBCP Abstract:

CAL FIRE requests $6,000,000 General Fund for the acquisition phase of the Property Acquisition: Happy Valley Fire Center project. This project will seek to acquire a site in Shasta County to expand the current CAL FIRE infrastructure. This facility will be used to provide housing and training grounds for CAL FIRE hand crews.

The total estimated project costs are $6,000,000 for Happy Valley Fire Center. The acquisition phase is estimated to begin in July 2026 and be completed in June 2028.

B. Purpose of the Project:

Background

Hand crews are one of the most versatile and specialized tools CAL FIRE utilizes for fire suppression. Hand crews are a team of individuals that, when assigned to wildland fires, are utilized primarily to construct fire lines by removing vegetation from the path of an advancing wildfire. Hand crews work in conjunction with other resources to stop a fire from spreading by clearing vegetation away from an oncoming wildfire. These constructed fire lines provide protection from wildfires and unburned vegetation and help aid in preventing wildfires from spreading and growing larger.

Additionally, other resources assigned to the emergency such as fire engine crews, will not be able to access and suppress the fire when the fire is burning in more remote, inaccessible terrain. Without an adequate number of hand crews, fires will grow larger resulting in increased damage to watersheds, wildlife, fisheries, and air quality.

Hand crews also assist fire engine crews with deployment of fire hoses over long distances. They are assigned to helicopter and bulldozer activities and are utilized in logistical operations and support on major incidents, including establishing the incident base for large fires. Hand crews are also utilized after the fire is contained by working through the impacted area and extinguishing any hotspots, which could cross the fire lines and start another fire in unburned vegetation. This function, commonly referred to as "mop-up," is critical in the prevention of any fire escape from the perimeter of the contained fire. After the fire is completely extinguished, hand crews are utilized for post-fire restoration work, which includes rehabilitating the burned land, creating water bars to prevent erosion into streams and rivers, helping reseed the watershed to reduce invasive species, and undertaking other erosion control measures to prevent further damage to sensitive watersheds. Hand crews are utilized on geographic sections of fire not accessible by any mechanized forms of fire suppression equipment and play a critical role in the fire suppression toolbox. The decrease in the number of available crews has impacted CAL FIRE's ability to deploy these critical resources to support its fire protection operations, which can impact CAL FIRE's ability to suppress wildfires.

When not responding to emergencies, hand crews engage in fuel reduction, vegetation management, prescribed fire, and forest health projects. Tree mortality, decades of fire suppression, development in the wildlands, and climate change have created increased hazardous fuel conditions that must continue to be addressed. Hand crews are one of the most effective and versatile resources to perform fuel reduction and vegetation management projects. A recent review of CAL FIRE hand crew utilization showed that on average over the last three years, CAL FIRE hand crews spent 25 percent more of their time on project work than was spent on fire assignments. As with fire suppression, these crews treat and remove vegetation in areas adverse to mechanical treatment, yet critical in the completion of fuel treatment projects.

Hand crews are one of the most finite resources for both initial attack fires and during periods of increased fire activity. There is often a greater demand for these resources than are available; hand crews are the resource most often identified as a critical resource need for emergency wildland fire incidents, while hundreds of resource orders for crews remain unfilled. The pool of available non-state hand crews is extremely limited and consists of United State Forest Service crews, private contractors, contract counties, and local government hand crews. Due to the limited numbers of these non-state

crews, they are often committed to other incidents and are not available for assignment, particularly during periods of extreme demand. During these times CAL FIRE has relied on Service Members from the California Military Department (CMD) that are activated and tasked for emergency assignments as hand crews.

CAL FIRE has been working to build hand crews by adding additional California Conservation Corps (CCC) hand crews. In addition, CAL FIRE has utilized CMD crews to augment hand crew resources. Given fire risks present during the 2020 fire season, the Administration augmented the Emergency Fund to add additional seasonal CCC crews and 858 seasonal fire fighters to act as hand crew members, as a part of a flexible firefighter surge capacity.

The statewide need for hand crews for conservation projects resulting from climate change and the devastating fires of recent years has increased significantly. When not assigned to emergency incidents, these crews will be performing fire prevention work in the form of community fuel breaks, vegetation management, forest heath projects, and prescribed fire. Hand crews are one of the state's most valuable resources for fire suppression as well as a critically important resource for performing fuel reduction work in and around communities at risk, critical infrastructure, and transportation corridors.

Hand crews are a critical resource for fire suppression and an efficient and effective tool for hazardous fuel reduction, vegetation management, fire prevention, prescribed fire, and forest health projects.

Problem

Through various cooperative agreements, CAL FIRE has historically operated 208 hand crews, including 192 hand crews through cooperative agreements with the California Department of Corrections and Rehabilitation (CDCR) and the Division of Juvenile Justice, 12 hand crews through a partnership with the CCC, and an additional four hand crews that are part of a training program at Ventura Training Center.

Over the last decade, the CAL FIRE Conservation Camp program has experienced a decline of incarcerated people, leaving the program unable to fully staff its hand crews, resulting in the operation of fewer crews to support CAL FIRE's fire protection operations, and the ability to complete hazardous fuel reduction projects. In recognition of this trend, the 2020 BA reflected a consolidation of incarcerated fire camps and the vacating of eight camp facilities by California Department of Corrections and Rehabilitation (CDCR).

To support the hand crew needs with the reduction of incarcerated fire fighters, CAL FIRE needs to establish 24 hour fire centers to logistically support the 16 Firefighter I (FFI) hand crews (2022 Budget Act (BA)), 17 FFI hand crews (2023 BA) and 5 FFI hand crew (2025 BA). CAL FIRE was able to repurpose seven of the eight consolidated CDCR Conservation Camps to FFI hand crews. However, there is still a need to house fire crews without currently owned facilities. These sites need to contain existing infrastructure for immediate use. These sites are needed in areas where the local unit has received new crews, but do not have existing facilities suitable for use as a fire center.

Happy Valley Fire Center has been identified as a suitable site for a fire center. The facility contains existing buildings that can be utilized to house the hand crews, kitchen, multi-purpose room, storage, offices, and warehouse. The site has infrastructure in place that can accommodate a gym, covered parking, and staging. The site is a strategically beneficial location as it is well embedded in the State Responsibility Area (SRA) of the local Shasta-Trinity Unit.

C. Relationship to the Strategic Plan:

This project relates to the following goals in the California Department of Forestry and Fire Protection 2024 Strategic Plan:

Goal 6: Identify core capabilities and strengthen operational capacity.

Objective 1: Ensure the Department has the resources and infrastructure to adapt to evolving operational demands and legal frameworks.

D. Alternatives:

1. Approve Acquisition Funding

   Advantages
   - Approval will allow CAL FIRE to acquire the site to meet Department objectives.
   - Acquisition of the leased facility will support CAL FIRE's goal to be an efficient, effective, quality organization with the resources necessary to carry out the Department's mission. The Department benefits from future infrastructure improvements to owned facilities.
   - Provides the State full ownership of infrastructure and removes financial and/or legal uncertainty associated with lease agreements.

   Disadvantages
   - Additional costs added to the General Fund.

2. Defer Funding

   Advantages
   - This alternative has no advantages.

   Disadvantages
   - CAL FIRE will miss a unique opportunity to acquire the sites.
   - Deferring the project adds to the Department's backlog of critical capital improvements and will likely increase project cost in the future.

E. Recommended Solution:

1. Which alternative and why?

   The recommended solution is alternative #1 – approve acquisition funding for this site for future development.

2. Detailed scope description.

   The scope includes the acquisition of the following properties for use by CAL FIRE hand crews: Happy Valley Fire Center (Shasta County).

3. Basis for cost information.

   Acquisition estimates are based on typical costs associated with land acquisitions by the state and fair market value.

4. Factors/benefits for recommended solutions other than the least expensive alternative.

   The least expensive alternative is to not proceed with the acquisition of the property, which if chosen would cause CAL FIRE to miss an opportunity to acquire this property. The property may not be available in the future and delaying the acquisition could mean higher costs in the future. Additionally, CAL FIRE is currently leasing this site and it has become a burden for the owner to continue acting as lessor. It is unclear that the owner will continue to want to lease the site to CAL FIRE should an acquisition not occur soon.

5. Complete description of impact on support budget.

   None.

6. Identify and explain any project risks.

   Real property acquisition risks include unforeseen due diligence issues, or liability risks associated with property ownership.

7. List requested interdepartmental coordination and/or special project approval (including mandatory reviews and approvals, e.g. technology proposals).

   This project will require a California Environmental Quality Act (CEQA) compliance review. Plans for the new facility will be subject to review and approval by the State Fire Marshal and Division of the State Architect.

F. Consistency with Government Code Section 65041.1:

Does the recommended solution (project) promote infill development by rehabilitating existing infrastructure and how? Explain.

Yes. The recommended solution promotes infill development by approving the acquisition of facilities containing existing infrastructure.

Does the project improve the protection of environmental and agricultural resources by protecting and preserving the state's most valuable natural resources? Explain.

Yes. Due to the nature of the Department's mission, it can be necessary to locate facilities into areas that could have negative environmental and agricultural impacts; however, strategic placement of these facilities to provide more effective response to wildland fires will ultimately protect nearby forests, watersheds, agricultural land, and other valuable natural resources. Any impacts created at the new site will be minimized and appropriate mitigations will become part of the project.

Does the project encourage efficient development patterns by ensuring that infrastructure associated with development, other than infill, support efficient use of land and is appropriately planned for growth? Explain.

Yes. Project planning includes incorporation within local government planning models. Growth-inducement potential, noise and air pollution are potential environmental impacts addressed in the CEQA process.