



OREGON MILITARY DEPARTMENT
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD
OFFICE OF THE ADJUTANT GENERAL
1776 MILITIA WAY
P.O. BOX 14350
SALEM, OREGON 97309-5047

February 3, 2014

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request

The Oregon Military Department (OMD) requests an \$8,000,000 increase in Capital Construction Other Funds limitation in order to complete the construction of The Dalles Readiness Center for the use of Columbia Gorge Community College (CGCC).

Agency Actions

In February 2008, the agency secured a long term, no-cost, lease from CGCC for approximately 7.5 acres on their campus as the future site of The Dalles Readiness Center. The agency began seeking potential partners in the development, with a particular focus on CGCC.

Design of The Dalles Readiness Center was originally approved by the January 1997 Emergency Board. Subsequently, the June 2008 Emergency Board approved \$332,647 Other Funds (COP) limitation and \$1,659,000 Federal Funds limitation for design. The 2011 Legislature authorized capital construction limitation of \$12,980,000 in Federal Funds and \$4,011,273 in Other Funds Article XI-Q bond limitation in order to construct a 46,000 SF facility located on the CGCC campus. This new facility is intended to replace the existing armory in The Dalles that was constructed in 1949.

In October 2011, the agency solicited for a Design Build Contractor to conduct the design and construction of the project, awarding the contract in March of 2012.

In April 2012, OMD was approached by CGCC to explore the potential to add the college as a partner in the facility. In April, 2011, CGCC had received a grant from the Oregon Department of Community Colleges and Workforce Development (CCWD) for \$8,000,000 to develop a Community College Workforce Building. The \$8,000,000 in CCWD grant money required 100% match funding, which the college had been unable to secure.

The Military Department, CGCC, and CCWD, with assistance and advice from our assigned attorneys at the Department of Justice, determined that areas of the originally planned

Readiness Center could be jointly used, and their value would constitute the required match for the CCWD grant funds. These areas, now referred to as joint use areas, consist primarily of the assembly hall, classrooms, breakrooms, the vehicle maintenance bay, and the latrines, mechanical and electrical rooms, and circulation space that supports these areas. The patterns of use by both OMD and CGCC allow for these spaces to be shared.

In July 2012, OMD and CCWD conducted a project scoping exercise with the design build contractor contracted to design and construct the readiness center, and determined a scope of work that would meet the college's needs, satisfy the CCWD grant conditions, was amenable to the agency, and could be accomplished with the \$8,000,000 in CCWD grant funds.

In October 2012, OMD received approval of the concept from CCWD, and was released to incorporate the college scope into the project.

A condition of the CCWD grant requires the match funds, or in this case, project scope, to be complete before grant funds are released. This condition has been met, as the building is anticipated to be complete March 2014.

As the agency began the process of requesting release of the grant funds from CCWD, we became aware that CCWD was prohibited from making payments directly to the contractor, but must instead transfer the funds to the agency, which must then make disbursement to the contractor. This arrangement creates the need for the agency to seek limitation to expend these funds on behalf of CCGC/CCWD.

Actions Requested

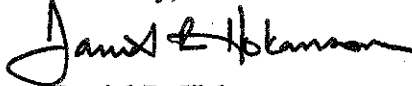
Increase Capital Construction Other Funds Limitation by \$8,000,000.

Legislation Affected

Section 1(3)(a), Chapter 615, Oregon Laws 2011.

Thank you for your consideration of this request.

Sincerely,



Daniel R. Hokanson
Major General
The Adjutant General