

**TESTIMONY ON SB 5505
BEFORE THE CAPITAL CONSTRUCTION SUBCOMMITTEE
OF THE WAYS & MEANS COMMITTEE
MAY 12, 2017**

**PRESENTED BY DAVID MOON, DIRECTOR
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The Oregon Judicial Department has submitted requests for Article XI-Q bonds in the Chief Justice Recommended Budget (2017 House Bill 5013). This letter provides more information about those requests and Chief Justice Balmer's priorities. You will receive additional information from the specific courts and counties involved in these requests.

Summary of Chief Justice Requests, in Priority Order

1. Final state matching funds to complete construction, and state funds for construction-related technology and equipment for the Multnomah County Central Courthouse (\$101.5 million).
2. Supplemental state matching funds to support replacement of the Lane County Courthouse (\$5.0 million).
3. One-time matching funds to replace the Hood River County Courthouse (\$4.4 million).
4. Initial matching funds for planning to replace the Clackamas County Courthouse (\$1.25 million).
5. Seismic upgrades and system replacements in the Oregon Supreme Court building (\$29.4 million).

Oregon Courthouse Capital Construction and Improvement Fund

In 2013, the legislature authorized use of Article XI-Q bonds to provide State matching funds to assist counties in replacing unsafe courthouses. Counties may receive up to a 50 percent match of the costs to provide circuit court facilities, if the new courthouse also provides space to co-locate a state agency with the court. The State match is limited to 25 percent without co-location. The State match may be applied to the cost of the co-located agency space, but does not apply to any county-supported offices located in the new courthouse.

In order to receive State funds, the project must be approved by the Chief Justice and the Department of Administrative Services, as well as have legislative authority to issue the bonds. Proceeds for the State bonds are deposited in the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF, also created in 2013), and are used to reimburse counties for eligible expenses. County matching funds also are temporarily deposited in the OCCCIF, to verify that counties have their matching funds and to dedicate those funds to the courthouse project.

Beginning in 2013, the Assembly has approved State bond funding to replace the seismically-dangerous Multnomah County Courthouse in downtown Portland, and in subsequent biennia authorized State bond funding to replace unsafe courthouses in Jefferson, Tillamook (not pursued), and Lane Counties. The State also has provided matching funds from the Criminal Fines Account for a new courthouse in Union County.

For the 2017-19 biennium the Chief Justice has requested \$107.6 million in Article XI-Q bond funding for the following county courthouse projects:

Multnomah County. Beginning in the 2013-15 biennium, the legislature has approved \$32.4 million in State funding for planning, land acquisition, and design for a new downtown courthouse. The courthouse, built in 1909 from hollow, unreinforced masonry blocks, is seismically unsafe and has many security and safety deficiencies resulting from its space limitations and design. The Chief Justice has requested \$92.6 million as the final request for construction funding in his 2017-19 Recommended Budget, together with a request of \$8.9 million for state-funded technology and equipment necessary for the building to be commissioned on schedule. The condition of this courthouse was ranked 38th out of the 48 state court facilities in a legislatively sponsored 2008 facility assessment.

Lane County. The legislature in 2016 authorized \$1.25 million in State matching funds for planning this project. The county submitted a supplemental funding request after the Chief Justice's budget process was completed.

Hood River County. This facility, built in 1954, ranked 46th (third-worst) in the 2008 assessment. In addition to being seismically vulnerable, its outdated design and space utilization creates security issues for judges, staff, victims, witnesses, and the public. Details regarding the site and co-located state agency are being worked on by the county. The Chief Justice has requested \$4.4 million in Article XI-Q bonds for full funding of the State match for this project.

Clackamas County. This facility was ranked 23rd in the 2008 assessment, but two seismic studies conducted in 2015 showed the building would experience significant damage in a 'design-level' earthquake and that subsurface conditions are susceptible to liquefaction (where the stress applied to the soil during an earthquake or other sudden change would cause the soil to behave like a liquid). The original facility was built in 1936 with one courtroom and has been expanded over the years but reached its capacity for expansion some time ago. The county plans to build a new facility at its Red Soils campus, which already houses the juvenile department and service providers. The new facility would allow sufficient space for court operations, allow jurors to convene in the courthouse instead of in a separate building, and consolidate district attorney offices into one building. The Chief Justice has requested \$1.25 million in State match for planning in 2017-19, and the county anticipates requests for State matching funds for construction of \$28.8 million in 2019-21 and \$48.2 million in 2021-23.

Supreme Court Building Preservation and Seismic Retrofit

The Chief Justice continues to submit this request as a placeholder, to flag for the Legislature that the century-old Supreme Court building needs seismic upgrades and to repair or replace interior systems. The 2013 Legislative Assembly authorized \$4.4 million to repair critical exterior façade and window issues at the Supreme Court building, which have been completed. Further reviews and project prioritization have identified \$29 million in required funding to complete required work, which would require relocation of the Court and related offices.