



**OREGON MILITARY DEPARTMENT**  
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May 12, 2017

The Honorable Senator Fred Girod, Co-Chair  
The Honorable Representative Paul Holvey, Co-Chair  
Joint Committee on Ways and Means, Subcommittee on Capital Construction  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

The Oregon Military Department respectfully submits the following written testimony in relation to Senate Bill 5505.

Senate Bill 1021-A requests \$3.5 million General Fund for the creation of exhibits and other capital expenditures directly related to the establishment and maintenance of the Oregon Military Museum. Discussions with members of the Senate Committee on Veterans and Emergency Preparedness indicate that the General Fund may be replaced with Article XI-Q bonds, which would require authorization in SB 5505. While this request was not in our Agency Request Budget, Legislative Leadership has expressed interest in this project and requested information from the Oregon Military Department (OMD), in order to facilitate this request. OMD is officially neutral on this request, but we submit the following information detailing the potential use of funds and the benefits they would provide.

**Oregon Military Museum - \$3,500,000:**

The focus of the Brigadier General James B. Thayer Oregon Military Museum and Historic Park is to honor the men and women who have served our state and nation in the United States Armed Forces. The intent is to construct a world-class museum complex to provide a comprehensive educational resource for preserving and sharing the rich military history of Oregonians. The ultimate goal of the project is to provide our children and future generations with an educational opportunity to learn the importance of citizenship, heroism and sacrifice.

This museum is being built with a combination of funding sources. Listed below is what has been previously obligated:

- General Fund – \$250,000
- Other Funds – \$1,099,066
- Federal Funds – \$6,145,776

The 2015 Legislative Assembly appropriated \$250,000 in one time General Fund investment to help finance construction costs. Other Fund revenue has been received from two 501(c)(3) non-profit corporations, the Oregon Military Museum Project and the Historical Outreach Foundation, while overtures to other organizations seeking funding have also been made. Federal Funds have been provided by the National Guard Bureau through a Master Cooperative Agreement program.

Should General Obligation Bonds be approved for this project we would utilize those funds in the following manner. We would reassess the scope of the project and add back items from the original design which were value engineered out in order to meet available resources. The initial brick and mortar design for the project came with a cost of nearly \$10 million, unfortunately available resources have only amounted to slightly under \$7.5 million. This delta required negotiations between the agency and the design firm to reduce the cost. The proposed new bond funds could allow for an expansion of the Hall of Valor building, an expansion of the Galleria facility, and/or potentially adjusting the timeline for the completion of other portions of the building envelope. All of these items were either excluded or modified from the original design due to cost restrictions.

We would also focus on internal improvements to showcase the 14,500 artifacts and 30,000 item library in a professional manner. This would include upgrades to the lighting system, the sound system associated with first person stories taken from Veteran's, visual display structures, and facility specific storyboards which help showcase Oregon's unique military history. All of these projects would be included in the capitalized value of the building as they are site specific and permanently attached to the facility.

As with all projects funded through state sponsored General Obligation Bonds, we will seek to leverage additional federal funds from the National Guard Bureau to help enhance and expand the scope of the work being performed.

This concludes my written testimony. Thank you for your consideration of this project.



David A. Stuckey  
Deputy Director  
Oregon Military Department