



OREGON MILITARY DEPARTMENT
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May 11, 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.

We are requesting the sale of Article XI-Q General Obligation Bonds, and the establishment of six year Other Funds expenditure limitation, in the amount of \$23,331,858 to finance projects at seven facilities across the state. The following is a high level synopsis regarding the goals and objectives for these projects.

Regional Armory Emergency Enhancement Projects - \$16,464,000:

The Regional Armory Emergency Enhancement Projects are for five facilities critical to emergency response post a major natural disaster such as a Cascadia Subduction Zone rupture. These facilities and estimated costs are as follows:

- Coos Bay Armory – \$1,415,000
- Newport Armory – \$1,415,000
- Salem Aviation Support Facility (Salem Airport) – \$4,985,000
 - Projects will encompass three buildings within the facility
- Pendleton Aviation Support Facility (Pendleton Airport) – \$2,095,000
- Anderson Readiness Center (Salem) – \$4,790,000
- Additional Design Costs - \$1,764,000

The goal of these projects is to ensure continuity of operations for the OMD and our partners in the aftermath of a major or catastrophic seismic events or other natural disasters. Each of the facilities listed above is identified in the State of Oregon's Emergency Response Plan as having a critical role in response actions.

In order to meet that goal each project will focus on the following four priorities:

1. Seismically retrofit each facility to meet Essential Facility standards
2. Create sufficient storage space for fuel

3. Ensure sufficient Backup Power is available to meet the needs of each facility
4. Develop/modify systems for Potable Water

Priority one is seismic retrofits to meet essential facility standards, and this priority applies to all five facilities. This is the highest seismic safety standard currently in place in Oregon. By meeting this standard each facility should be able to survive an incident and be immediately operational for OMD staff and other emergency response agencies. To accomplish this priority OMD is estimating seismic retrofit costs to be \$13,100,000. This figure is based in part on a previously conducted seismic study of OMD facilities.

Priority two is storage for fuel at the Salem and Pendleton Aviation Support Facilities. These projects will provide for seismically stable above ground fuel storage tanks associated with aviation fuel and general purpose diesel fuel. These fuel storage tanks would be for use during a disaster, or distribution to other facilities or entities depending on the response and recovery mission. OMD is estimating the cost of this priority at \$650,000, but that is subject to change once a detailed analysis is done on a site by site basis.

Priority three is to ensure that sufficient backup power is available to operate each facility in the event of primary power disruption. OMD will be looking at existing infrastructure such as onsite generators, current electrical load capacities, status of utility systems, automatic transfer switches etc. and making improvements to those systems that are most in need of improvement. Sufficient backup power is critical to allowing our facilities to act as emergency coordination centers for federal, state and local partners. Currently OMD is estimating the cost of upgrading these systems at \$650,000, but any savings from the seismic retrofit portion of the projects may be absorbed in this category.

Priority four is to develop/modify systems to access potable water at the Newport and Coos Bay armories. Potable water will be delivered through maintained, tested, and certified wells, pumps, storage tanks, and automatic controls. Onsite potable water is critical to facility operations as it may be difficult, depending on the severity of the incident, to transport water to these facilities in the quantities needed. The water will be available for emergency use by OMD and our partners based on operation requirements. OMD is estimating the cost of this priority at \$150,000, but that is subject to change once a detailed analysis is done on a site by site basis.

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

We will now transition to the two remaining projects called Armory Service Life Extension Projects, or ASLEPs.

Armory Service Life Extension Projects - \$6,867,858:

The Armory Service Life Extension Projects (ASLEP) are for two facilities we are seeking to extend the useful life due to the value each facility provides to the community it serves, and the National Guard mission. The goal of these projects is to perform infrastructure improvements to extend the useful life of a facility due to the complexities and long term planning and programming

requirements associated with constructing new facilities. The facilities and estimated costs are as follows:

- Jackson Armory (Portland) – \$3,597,502
- Grants Pass Armory – \$3,270,356

Since 2007 the OMD has completed, or will be completing, ASLEP's at eight facilities around the state:

- Woodburn Armory
- St. Helens Armory
- Gresham Armory
- Milton-Freewater Armory
- Sharff Hall (Portland)
- Roseburg Armory
- Baker City Armory
- Oregon Youth Challenge Program (Bend)

Each of these projects have, or will, result in significant improvements to the operational effectiveness and overall longevity of the each facility.

The goals for the projects being considered at the Jackson and Grants Pass armories are as follows:

1. Bring facility into conformance with code (including seismically retrofitting to essential facility standards as applicable)
2. Abate any hazardous materials
3. Improve operational efficiencies
4. Upgrade mechanical and lighting systems where needed
5. Upgrade building "envelope"
6. Upgrades to facility grounds

The Jackson Armory was constructed in 1963, and the Grants Pass Armory was constructed in 1972. Both facilities are in a state of significant decline. Severe deficiencies in electrical, mechanical, and structural components threaten the ability of OMD to continue using these facilities for their intended purpose. Additionally, the Jackson Armory is more than 35,000 square feet short of the current federal requirement, while the Grants Pass Armory is more than 17,000 square feet short of the current federal requirement.

The proposed projects will bring the two facilities into conformance with current building code, will replace outdated, inefficient, or defective building systems (to include mechanical, electrical and plumbing), will remodel existing classrooms, administrative space, latrines and showers, equipment storage areas, kitchen, and assembly hall areas. The projects will repair or replace failed paving areas, and will repair or replace existing site lighting, landscaping and fencing. OMD anticipates an increase in rental activity as a result of this project. Funds from rental activity are currently used to partially offset facility operation and maintenance costs, and any

funds resulting from an increase in rental activity will continue to be used in the same manner. A review of the long range federal funding forecast indicates that no federal funds will be available to replace either facility in the foreseeable future thereby requiring OMD to extend the useful life of the facility through other means.

As with all projects funded through state sponsored General Obligation Bonds, the OMD will 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 these projects.



David A. Stuckey
Deputy Director
Oregon Military Department