

## ANALYSIS

### Item 30: Oregon Military Department Rees Training Center Construction Projects

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**Analyst:** John Terpening

**Request:** Increase Federal Funds Capital Construction expenditure limitation for the Oregon Military Department by \$5,760,099 for three construction projects at the Rees Training Center.

**Analysis:** Oregon Military Department (OMD) has received additional federal funding from the National Guard Bureau for federal fiscal year 2022 to complete three projects at the Rees Training Center, formerly known as Camp Umatilla. The first project is an expansion of the Biomass Heating System, for which federal funds were provided in 2018 and the project completed in January 2021. The current heating system serves eight buildings, with the planned expansion to serve three additional buildings. Of the total requested, \$2,550,000 is for the Biomass Heating System, which would bring the total federal funds expended for this specific project to \$8.7 million.

The second project is for enhancements to the Center's front gate, including a new gate, check station building, barricade system and roadway improvements. Of the \$5.7 million being requested, \$1,314,099 is for the front gate enhancements, which also received Federal Funds in 2021. This additional funding would bring the total federal funds expended for this project to \$2.4 million.

The third project is for the repair and expansion of the Modified Record Fire Range. The funding will be used to repair or replace the existing target mechanisms at the firing range and to add two additional lanes. This is a new project with estimated costs of \$1,896,000.

The additional funding being provided by the National Guard Bureau must be contractually obligated by September 30, 2022. Each of these projects are 100% federally funded and no state match is required. The Capital Construction expenditure limitation for two of these projects was provided in legislation approved 2018 and 2021 respectively, when the Rees Training Center was still referred to as Camp Umatilla. As a result, the LFO recommendation for those projects references the name used in statute as it pertains to the expenditure limitation.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board increase the Federal Funds Capital Construction expenditure limitation for the Oregon Military Department by \$2,550,000 for the Camp Umatilla Facilities Biomass Heating Upgrades; increase the Federal Funds Capital Construction expenditure limitation established for the Oregon Military Department by \$1,314,099 for the Camp Umatilla Guard Shack; and establish a Federal Funds Capital Construction expenditure limitation of \$1,896,000 for the Oregon Military Department, for funding the Rees Training Center Modified Record Fire Range.

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Oregon Military Department  
Gibson

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**Request:** Increase Capital Construction Federal Funds expenditure limitation by \$5.8 million for the purposes of expanding the biomass heating system, constructing a new front entry gate, and enhancing the Modified Record Fire Range at Rees Training Center (RTC).

**Recommendation:** Approve the request.

**Discussion:** The Oregon Military Department (OMD) is requesting a \$5.8 million Federal Funds Capital Construction expenditure limitation increase to support three Rees Training Center (RTC) projects, formerly Camp Umatilla.

- Biomass Heating Upgrades

OMD requests a \$2.6 million Federal Funds expenditure limitation increase to supplement the limitation approved in SB 5701 (2018). In January 2021, OMD completed the Biomass Heating System Upgrade Project by installing a more efficient heating system to support eight buildings. This additional funding allows for the expansion of the heating system to include three more buildings.

In the spring of 2022, the National Guard Bureau (NGB) announced the ability to utilize additional Federal Funds for this project with the caveat of requiring the funds be contractually obligated by September 30, 2022. There is no additional General Fund match requirement to receive the funds.

- Front Entry Gate Enhancements

OMD requests a \$1.3 million Federal Funds expenditure limitation increase to supplement the limitation approved in SB 5506 (2021). OMD proposes utilizing the funds to enhance the current project by improving compliance with anti-terrorism force protection, perimeter security, and operational readiness.

In October 2021, NGB announced the ability to utilize additional Federal Funds for this project with the caveat of requiring the funds be contractually obligated by September 30, 2022. There is no additional General Fund match requirement to receive the funds.

- Modified Record Fire Range

OMD is requesting the establishment of a \$1.9 million Federal Funds expenditure limitation to support enhancements to the Modified Record Fire Range. The funding will cover expenses related to design, labor, materials, and equipment necessary to complete the addition of two new fire lanes and make repairs to the current fire lanes.

In July 2022, NGB announced the ability to utilize additional Federal Funds for this project with the caveat of requiring the funds be contractually obligated by September 30, 2022. There is no General Fund match requirement to receive the funds.

REQUEST SUMMARY	Current FF Limitation	Requested Increase	Total FF Limitation
Biomass Heating Upgrades	\$ 6,125,000	\$ 2,550,000	\$ 8,675,000
Front Entry Gate Enhancements*	\$ 1,100,000	\$ 1,314,099	\$ 2,414,099
Modified Record Fire Range	--	\$ 1,896,000	\$ 1,896,000
	<b>\$ 7,225,000</b>	<b>\$ 5,760,099</b>	<b>\$ 12,985,099</b>

*\*Formerly cited in chapter 659, section 2(2)(b), Oregon Laws 2021 as Camp Umatilla Guard Shack.*

**Legal Reference:** Increase the Capital Construction Federal Funds expenditure limitation established by chapter 659, section 2(2)(b), Oregon Laws 2021, for the Oregon Military Department, Camp Umatilla Guard Shack, by \$2,550,000 for the 2021-23 biennium.

Increase the Capital Construction Federal Funds expenditure limitation established by chapter 106, section 2(2), Oregon Laws 2018, for the Oregon Military Department, Camp Umatilla Facilities Biomass Heating Upgrades, by \$1,314,099 for the 2017-19 biennium.

Establishment of an expenditure limitation of \$1,896,000 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2021, for Rees Training Center modified record fire range.



**OREGON MILITARY DEPARTMENT**  
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD  
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August 22, 2022

The Honorable Senator Peter Courtney, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

**Nature of the Request**

The Oregon Military Department (OMD) is requesting Federal Funds Capital Construction limitation in the amount of \$5,760,099 for three projects (two established projects and one new project) at the Rees Training Center (RTC, formerly known as Camp Umatilla). The first established project is a Biomass Heating System project, and the limitation being requested is \$2,550,000. The second established project is a Front Entry Gate Enhancement project, and the limitation being requested is \$1,314,099. The new project is a Modified Record Fire Range project, and the limitation being requested is \$1,896,000.

**Agency Action**

OMD has received additional Federal Funds in Federal Fiscal Year 2022 from the National Guard Bureau to complete three projects at RTC. Below are descriptions for each of the projects. All three projects are 100% federally supported and require no state match to execute.

**Biomass Heating System - \$2,550,000**

The first established project is an expansion of the Biomass Heating System at RTC. The existing system was completed in January of 2021, and currently serves eight buildings, totaling 122,000 square feet of heating. This expansion will bring an additional three buildings online.

The central plant system is configured to ultimately provide heating for eleven buildings in the campus totaling just under 160,000 square feet of conditioned space. This expansion totals approximately 38,000 additional square feet of heating for the building 18 warehouse as well as buildings 30 and 54 office spaces.

The Linka Biomass boiler operation for this application is anticipated to be 91% efficient. Although configured to burn wood pellets for this operation, the boiler can also be fueled by

wood chips, straw, and even cherry pits. The use of biomass pellets as the primary heating fuel source is anticipated to save over 146,000 gallons of liquid propane fuel each year. This diverse capability increases the energy resilience of the supported buildings at Rees Training Center in Hermiston, Oregon.

The emergency nature of this request stems from the timing of the funding. The additional funding was announced in the spring of 2022. Since it is tied to Federal Fiscal Year 2022, it must be contractually obligated by September 30, 2022.

This request for \$2,550,000 will bring the total limitation for the project to \$8,675,000.

### **Front Entry Gate Enhancement - \$1,314,099**

The second established project is related to the front entry gate of RTC. The funding provided will allow OMD to complete the construction of a new entry point and gate at the RTC. The funding will support improvements to perimeter security, operational readiness and compliance with anti-terrorism force protection (ATFP). The project consists of a new gate, identification check station building, roadway improvements, truck inspection lane, barricade system, and entry point for commercial activities.

The project will modernize the main entry point into RTC to improve security as well as facilitate the flow of traffic. The project will extend the usable life of the facility while creating a more inviting portal between the community and the Oregon Military Department.

The emergency nature of this request stems from the timing of the funding. The additional funding was announced in October 2021. Since it is tied to Federal Fiscal Year 2022, it must be contractually obligated by September 30, 2022.

This request for \$1,314,099 will bring the total limitation for this project to \$2,414,099.

### **Modified Record Fire Range - \$1,896,000**

The new project is a Modified Record Fire (MRF) Range at RTC. Funding received will be used to repair and add two more lanes to the existing MRF Range at RTC. The proposed project provides sustainment and modernization funding to extend the usable life of the facility and to improve operational readiness. This funding limitation will cover all design, labor, materials, and equipment necessary to repair or replace target mechanisms as well as add two additional lanes. Improvements consist of removal of the existing pneumatic target control system and replacing it with a new electrical/mechanical system. Once complete, the modernized range will enhance RTC's complex and training opportunities.

The emergency nature of this request stems from the timing of the funding. The additional funding was announced in July 2022. Since it is tied to Federal Fiscal Year 2022, it must be contractually obligated by September 30, 2022.

### **Actions Requested**

Increase Federal Funds Capital Construction limitation for the Rees Training Center (formerly known as Camp Umatilla) in an amount totaling \$5,760,099 for the following three projects:

1. Biomass Heat Upgrades = \$2,550,000.
2. Front Entry Gate Enhancements = \$1,314,099.
3. Modified Record Fire Range = \$1,896,000.

### **Legislation Affected**

1. Biomass Heat Upgrades – Section 2 (2), Chapter 106, Oregon Laws 2018.
2. Front Entry Gate Enhancements – Section 2 (2)(b), Chapter 659, Oregon Laws 2021.
3. Modified Record Fire Range – None (new)

Thank you for your consideration of this request.

Sincerely,

*Sean McCormick*

Sean McCormick  
Chief Financial Officer  
Oregon Military Department