



OREGON MILITARY DEPARTMENT
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD
DEPUTY DIRECTOR
1776 MILITIA WAY SE
P.O. BOX 14350
SALEM, OREGON 97309-5047

April 9, 2021

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 (OMD) 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 \$21,760,000 for projects at four armory facilities across the state. There is also a potential fifth project that may require an additional \$5,300,000 of bond funds. The following provides a high-level synopsis of the goals and objectives for these projects:

Armory Service Life Extension Projects and Regional Emergency Enhancements - \$21,760,000 (\$21,371,872 project costs and \$388,128 bond issuance costs):

The Armory Service Life Extension Projects (ASLEP) involve 4 facilities that we are seeking to extend their useful life due to the value each facility provides to the communities they serve and support for National Guard missions. Due to the complexities of long-term planning and programming requirements associated with constructing new facilities, the goal of these projects is to perform infrastructure improvements to extend the useful life of each facility. A review of the long-range federal funding forecast indicates that no federal funds will be available to replace these facilities in the foreseeable future, thereby requiring OMD to request extending the useful life of the facilities through other means (bonds).

The facilities and requested bond funds are as follows:

- Ashland Armory - \$5,480,000 (\$5,373,235 project costs and \$106,765 issuance costs)
- Corvallis Armory – \$4,375,000 (\$4,317,605 project costs and \$57,395 issuance costs)
- McMinnville Armory - \$5,640,000 (\$5,531,595 project costs and \$108,405 issuance costs)
- Kliever Armory (Portland) - \$6,265,000 (\$6,149,437 project costs and \$115,563 issuance costs)

These projects will result in significant improvements to the operational effectiveness and overall longevity of each facility. The goals for the Service Life Extension projects being considered at the Ashland, Corvallis, McMinnville and Kliever armories are as follows:

1. Bring the facilities into conformance with current building code requirements.
2. Abate any hazardous materials.
3. Improve operational efficiencies.
4. Upgrades to mechanical, electrical, lighting and plumbing systems.
5. Upgrades to building “envelopes.”
6. Upgrades to facility grounds.

The proposed projects will bring the facilities into conformance with current building codes, will replace outdated, inefficient, or defective building systems (including mechanical, electrical, lighting and plumbing), remodel existing conference rooms/administrative space, latrines, showers, equipment storage areas, kitchens and assembly hall areas. The projects will repair or replace failed paving areas as well as repair or replace existing site lighting, landscaping and fencing. OMD anticipates an increase in rental activity as a result of these projects. Funds from rental activity are currently used to partially offset facility operation and maintenance costs; therefore, any funds resulting from an increase in rental activity will continue to be used in the same manner.

Since 2007, the OMD has completed, or in the process of completing, ASLEP’s at 14 facilities around the state:

- Woodburn Armory
- St. Helens Armory
- Newport Armory
- Gresham Armory
- Hood River Armory
- Milton-Freewater Armory
- Sharff Hall (Portland)
- Medford Armory
- Roseburg Armory
- Baker City Armory
- Oregon Youth Challenge Program Campus Facility (Bend)
- Grants Pass Armory (ongoing)
- Owen Summers/Anderson Readiness Center (Salem-ongoing)
- Jackson Armory (Portland-ongoing)

Regional Armory Emergency Enhancements (Ashland, Corvallis and McMinnville)

Three of the four Service Life Extension projects described above (Ashland, Corvallis and McMinnville) will also include improvements to seismic resiliency to enable continuity of operations for OMD and our partners in support of emergency response following a major natural disaster such as a Cascadia Subduction Zone rupture. These facilities will more effectively serve as regional hubs during of disasters and emergencies. Project costs for the regional emergency enhancements and the ASLEP are combined in the totals shown on page one.

Emergency enhancements work will provide the ‘Emergency Operations Center’ facilities with: structural improvements and upgrades, 24/7 emergency back-up power with diesel or dual fuel generator sets equipped with automatic transfer switches, emergency potable water through maintained, tested, and certified wells, pumps and storage tanks with automatic controls. Additionally, the enhancements will provide for storage of emergency response supplies and seismically stable above ground fuel storage tanks. These emergency response materials and fuel storage tanks will be cached and staged at these sites for use during disasters and for distribution to other facilities, as necessary, depending on the planned response and recovery missions. OMD is currently conducting regional emergency enhancement projects at: Newport, Coos Bay and the Salem Anderson Readiness Center (approved by the 2017 Legislature), as well as at Salem and Pendleton’s Army Aviation Support Facilities (approved by the 2019 Legislature).

Background on each of the armories is:

The **Ashland** Armory was constructed in 1988 and is 13,614 square feet short of the current federal requirements. OMD currently calculates Ashland Armory deferred maintenance and improved resiliency costs at over \$5.3 million. This project will alleviate the deferred maintenance liabilities and provide the added benefit of improved resiliency during disasters and emergencies.

The **Corvallis** Armory was built in 1959 and is 22,328 square feet short of current federal requirements, resulting in an unproductive training environment, improper storage of sensitive items, premature aging of mission essential equipment and overcrowding. OMD currently calculates Corvallis Armory deferred maintenance and improved resiliency costs at over \$4.3 million. This project will alleviate the deferred maintenance liabilities and provide the added benefit of improved resiliency during disasters and emergencies.

The **McMinnville** Armory was built in 1978 and is in a state of significant decline. The facility is 19,183 square feet short of the current federal requirements. The deferred maintenance issues include building condition and critical space shortage resulting in an unproductive training environment, improper storage of sensitive items, premature aging of mission essential equipment, overcrowding and a limited ability to provide the necessary resiliency in times of disaster. OMD currently calculates McMinnville Armory deferred maintenance and improved resiliency costs at over \$5.5 million. This project will alleviate deferred maintenance liabilities and provide the added benefit of resiliency during disasters and emergencies.

The **Kliever** Armory in Portland was constructed in 1968 and is also in a state of significant decline, with severe deficiencies in the electrical, mechanical, and structural components of the facility. This facility is more than 22,408 square feet short of the current federal requirements. OMD currently calculates Kliever Armory deferred maintenance costs at over \$6.1 million. This project will alleviate deferred maintenance liabilities.

As with all projects funded through state sponsored General Obligation Bonds, OMD will seek additional federal funds from the National Guard Bureau to help enhance and expand the scope of the work being performed. Approved bond funding also greatly enhances OMD's ability to attract federal funds.

Potential new bond request: Washington County Readiness Center

The Hillsboro Armory, built in 1954, was transferred to Washington County in 2017 as part of a land swap which provided 8 acres of nearby land to OMD for construction of a larger armory in order to better fill the needs of the two units stationed there. Federal funding for the new Washington County Readiness Center was originally scheduled for Federal Fiscal Year 2024 but is potentially being moved up by the National Guard Bureau (NGB) to Federal Fiscal Year 2022, which begins October 1, 2021. OMD will be notified in May 2021, when NGB releases the Future Years Defense Plan, whether the federal funding for this project has in fact been moved forward two years.

The \$22.7 million Federal funds will require state funding of \$5.3 million, which OMD is requesting as bond funds. Neither the federal limitation nor bond funding is yet included in the construction bill (SB 5506) or bond bill (SB 5505). OMD will work with the Chief Financial Office of the Department of Administrative Services and the Legislative Fiscal Office to add to these bills if the federal funds are approved for this project in Federal Fiscal Year 2022.

This concludes our written testimony. Thank you for your consideration of these projects.

Sincerely,



David A. Stuckey
Deputy Director
Oregon Military Department