

ANALYSIS

Item 21: Oregon Military Department Facility Enhancement Projects

Analyst: John Terpening

Request: Establish Federal Funds capital construction expenditure limitation of \$14,713,600 for five facility enhancement construction projects.

Analysis: The National Guard Bureau has notified the Oregon Military Department (OMD) of funding available for federal fiscal year 2024 for five projects that have previously received state funding through Article XI-Q bond proceeds. OMD was able to use the state funded investments to leverage these additional federal funds. The five projects include two Armory Service Life Extension Projects (ASLEP) and three Regional Emergency Enhancement Projects (REEP) and total \$14,713,600 in federal funding.

The two ASLEP projects are the Jackson Armory, located in northeast Portland, and the Ashland Armory. The 2019 legislature approved \$4,275,000 in bond funding for the Jackson Armory, and OMD has received \$3,412,000 in federal funds. OMD is requesting \$4,000,000 in expenditure limitation to cover potential cost or funding increases for this project. Bond funding for the Ashland Armory was approved in 2021, totaling \$5,373,235, and the National Guard Bureau is providing \$3,513,600 for this project in federal fiscal year 2024.

The REEP projects are located in Newport, Pendleton, and Salem. The 2017 legislature approved \$8,534,400 in bond funds for the Newport project, and OMD has received \$1,277,925 in federal funding. The Department is requesting \$1,300,000 to cover potential cost or funding increases. The 2019 legislature approved bond funding for the Pendleton (\$3,355,000) and Salem (\$6,497,000) projects. So far, the National Guard Bureau has provided \$2,340,000 in federal funding for Pendleton and \$3,217,000 for Salem. The Department is requesting \$2,500,000 and \$3,400,000, respectively, for these projects to cover potential cost or funding increases.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend establishing Federal Funds capital construction expenditure limitation of \$3,513,600 for the Ashland Armory Service Life Extension; \$4,000,000 for the Jackson Armory Service Life Extension; \$1,300,000 for the Newport Armory Regional Emergency Enhancement; \$2,500,000 for the Pendleton Regional Emergency Enhancement; and \$3,400,000 for the Salem Regional Emergency Enhancement, for the Oregon Military Department in a budget reconciliation bill during the 2024 legislative session for facility enhancement construction projects.

Request: Establish Capital Construction Federal Funds expenditure limitation of \$14,713,600 for five service life extension and enhancement projects.

Recommendation: Approve the request during the 2024 Legislative Session.

Discussion: The Oregon Military Department (OMD) has received \$14,713,600 Federal Funds from the National Guard Bureau (NGB) to assist in five service life extension and enhancement projects. The projects included in this request have existing bond funding previously approved by the Legislature, which acts as a leverage for ongoing Federal Funds from NGB.

The additional funding limitation will be used as follows:

- Ashland Armory Service Life Extension Project
OMD is requesting the establishment of \$3,513,600 Capital Construction Federal Funds expenditure limitation for the Ashland Armory to provide a more efficient layout of the building and compound, seismic upgrades, improve operational readiness, and extend the useful life of the building. The Legislature previously approved \$5,373,235 XI-Q-bonds for this project in Senate Bill 5506 (2021), and OMD has been successful in obtaining an additional \$3,513,600 Federal Funds from NGB in Federal Fiscal Year 2024.
- Jackson Armory Service Life Extension Project (ASLEP)
OMD is requesting the establishment of \$4,000,000 Capital Construction Federal Funds expenditure limitation for the Jackson Armory in Portland, Oregon to repair failing building systems both within and outside of the primary facility, as well as provide a more efficient layout of the building and compound, seismic upgrades and will extend the useful life of the building. The Legislature previously approved Other Funds limitation in House Bill 5006 (2019) for the Jackson ASLEP sourced with state bond funds in the amount of \$4,275,000. OMD has received \$3,412,000 Federal Funds from NGB, which OMD is rounding up to \$4,000,000 for limitation purposes to cover potential cost and funding increases in the future.
- Newport Armory Regional Emergency Enhancement Project
OMD is requesting the establishment of \$1,300,000 Capital Construction Federal Funds expenditure limitation for the Newport Armory to provide emergency response materials which could be stored and staged for use during a disaster, or distribution to other facilities depending on the planned response and recovery mission, seismic upgrades, and will extend the useful life of the building. Due to its elevation, this site has been identified as essential for disaster response as it can serve as a staging area for the region.

The Legislature previously approved \$8,534,400 Other Funds Capital Construction limitation for the Newport, Coos Bay, and the Anderson Readiness Center Regional Emergency Enhancement Projects sourced with XI-Q bonds in Senate Bill 5506 (2017), and OMD has earmarked \$1,543,350 of those bond funds for Newport.

OMD has received \$1,277,925 federal funding from NGB in addition to the XI-Q-bond funds, which OMD is rounding up to \$1,300,000 for limitation purposes. The additional Federal Funds limitation will contribute to the project and fund the repair of failing building systems both within and outside of the facility.

- Pendleton Army Aviation Support Facility (AASF2) Regional Emergency Enhancement Project (REEP)

OMD is requesting the establishment of \$2,500,000 Capital Construction Federal Funds expenditure limitation for the Pendleton Army Aviation Support Facility to improve operational readiness and bring this facility to current building codes and higher resiliency standards. This work will enable AASF2 to be used for emergency responses post large-scale disasters such as a Cascadia earthquake. This project will also reduce energy consumption and extend the useful life of the facility.

The Legislature previously established \$9,852,000 Other Funds Capital Construction limitation for the Salem and Pendleton AASF REEP projects funded with XI-Q bonds in House Bill 5006 (2019). Of that total, OMD has earmarked \$3,355,000 bond funds for the Pendleton site. OMD has received \$2,340,000 in Federal Funding to provide resiliency upgrades and repair to the Pendleton AASF. The agency is rounding the limitation request up to \$2,500,000.

- Salem Army Aviation Support Facility (AASF1) Regional Emergency Enhancement Project

OMD is requesting the establishment of \$3,400,000 Capital Construction Federal Funds expenditure limitation for the Salem Army Aviation Support Facility to improve operational readiness and bring this facility to current building codes and higher resiliency standards.

OMD has earmarked \$6,497,000 of the previously mentioned XI-Q bonds in House Bill 5006 (2019) for the Salem site. OMD has received \$3,217,000 Federal funding from NGB to provide resiliency upgrades and repairs to the existing Salem Army Aviation Support Facility to improve operational readiness and bring the facility to a higher level of Emergency Operations support. OMD is requesting \$3,400,000 in limitation to cover potential cost and funding increases.

Legal Reference: Establishment of an expenditure limitation of \$3,513,600 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2023, for Ashland Armory Service Life Extension Project.

Establishment of an expenditure limitation of \$4,000,000 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2023, for Jackson Armory Service Life Extension Project.

Establishment of an expenditure limitation of \$1,300,000 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2023, for Newport Armory Regional Emergency Enhancement Project.

Establishment of an expenditure limitation of \$2,500,000 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2023, for Pendleton Army Aviation Support Facility (AASF2) Regional Emergency Enhancement Project.

Establishment of an expenditure limitation of \$3,400,000 for Oregon Military Department for the payment of expenses from Capital Construction Federal Funds, collected or received for the biennium beginning July 1, 2023, for Salem Army Aviation Support Facility (AASF1) Regional Emergency Enhancement Project.



OREGON MILITARY DEPARTMENT
JOINT FORCE HEADQUARTERS, OREGON NATIONAL GUARD
DEPUTY CHIEF OF STATE AFFAIRS
230 GEER DRIVE NE
P.O. BOX 14350
SALEM, OREGON 97309-5047

December 4, 2023

The Honorable Senator Elizabeth Steiner, Co-Chair
The Honorable Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Oregon Military Department (OMD) requests the establishment of five new Federal Funds Capital Construction limitations for the following capital construction projects:

1. Ashland Armory Service Life Extension Project: \$3,513,600;
2. Jackson Armory Service Life Extension Project: \$4,000,000;
3. Newport Armory Regional Emergency Enhancement Project; \$1,300,000;
4. Pendleton Army Aviation Support Facility (AASF2) Regional Emergency Enhancement Project: \$2,500,000; and
5. Salem Army Aviation Support Facility (AASF1) Regional Emergency Enhancement Project: \$3,400,000.

Agency Action

Ashland Armory Service Life Extension Project (ASLEP)

The Ashland Armory was constructed in 1988 and does not currently provide efficient space for the military needs of the units assigned to this facility. The building is inefficient from an energy utilities standpoint and also has significant deferred maintenance issues. This project will provide a more efficient layout of the building and compound, seismic upgrades, improve operational readiness as well as extend the useful life of the building.

The 2021 Oregon Legislature approved \$5,373,235 XI-Q-bonds for this project in SB 5506. OMD has been successful in obtaining an additional **\$3,513,600** Federal Funds from the National Guard Bureau (NGB) in Federal Fiscal Year 2024. The project addresses aging building systems both within and outside of the primary facility including the roof, latrines, administrative space, kitchen, storage, classroom space, HVAC, potable water, fire detection and suppression, electrical, mechanical, sewer compound, storm water systems, seismic upgrades, improvements to the parking areas and military equipment compounds. The backup power, water, and fuel storage are cost-shared with 50% state and 50% federal funds. Resiliency upgrades will also include a backup diesel generator with an automatic transfer switch, domestic water well and water storage improvements as well as additional

equipment and supplies to aid in a response to a disaster. These enhancements will make the facility fully capable of becoming an Emergency Operations Center (EOC) in times of natural disasters or catastrophic events. The facility improvements will be designed to meet Industry Standards as well as all local, State, and Federal building codes. Facility improvements will also be designed in accordance with DoD's Unified Facilities Code (UFC 1-200-02) including energy efficiencies, building envelope and integrated building systems performance as per the Sustainable Design and Development Policy Update issued January 2017 by the Assistant Secretary of the Army (Installations, Energy and Environment).

Jackson Armory Service Life Extension Project (ASLEP)

The Jackson Armory, located in northeast Portland, was constructed in 1963 and does not meet current code requirements, nor does it provide efficient space for the approximately 300 military personnel of the 2-218 Field Artillery and 1-82 Cavalry. The building is inefficient from an energy utilities standpoint and has significant deferred maintenance issues. This project will provide a more efficient layout of the building and compound, seismic upgrades and will extend the useful life of the building.

The 2019 Oregon Legislature approved Other Funds limitation in HB 5006 for the Jackson ASLEP sourced with state bond funds in the amount of \$4,275,000. OMD has received \$3,412,000 Federal Funds from NGB, which OMD is rounding up to **\$4,000,000** for limitation purposes to cover potential cost and funding increases in the future. The additional Federal Funds from NGB will contribute to the project and provide improved operational readiness.

The project will repair failing building systems both within and outside of the primary facility including the roof, latrines, administrative space, storage, classroom space, HVAC, potable water, fire detection and suppression, seismic upgrades, electrical, mechanical, sewer, compound, storage water systems, back-up power generation, water, and fuel storage for resilience. Comprehensive interior design services are requested. The facility improvements will be designed to meet Industry Standards as well as all local, State, and Federal building codes. Facility improvements will also be designed in accordance with DoD's Unified Facilities Code (UFC 1-200-02) including energy efficiencies, building envelope and integrated building systems.

Newport Armory Regional Emergency Enhancement Project (REEP)

The Newport Armory was constructed in 1961 and does not meet current code requirements making it ineffective in a disaster for the approximately 55 military personnel of the 224 Engineer Detachment. The building is inefficient from an energy utilities standpoint and has significant deferred maintenance issues. Located adjacent to Highway 101 along the Oregon Coast at approximately 130 feet in elevation, it has been identified as essential for disaster response as it can serve as a staging area for the region. This project will provide emergency response materials which could be cached and staged for use during a disaster, or distribution to other facilities depending on the planned response and recovery mission, seismic upgrades, and will extend the useful life of the building.

In the 2017 Oregon Legislative Session, SB 5506 approved \$8,534,400 Other Funds Capital Construction limitation for the Newport, Coos Bay and the Anderson Readiness Center Regional

Emergency Enhancement Projects sourced with XI-Q bonds. OMD has earmarked \$1,543,350 of those bond funds for Newport.

OMD has received \$1,277,925 in Federal Funding from NGB in addition to the State Q-bond funds, which OMD is rounding up to **\$1,300,000** for limitation purposes. The additional Federal Funds limitation will contribute to the project, providing repair of failing building systems both within and outside of the facility, backup power from a diesel fuel generator with an automatic transfer switch, emergency potable water from maintained, tested, and certified wells, pumps, and/or storage tanks with automatic controls.

Pendleton Army Aviation Support Facility (AASF2 REEP)

The Pendleton Army Aviation Support Facility (AASF2) supports operations and maintenance of eight CH-47F Chinook helicopters belonging to the Oregon Army National Guard.

In the 2019 Oregon Legislative Session, House Bill 5006 established \$9,852,000 Other Funds Capital Construction limitation for the Salem and Pendleton AASF REEP projects funded with XI-Q bonds. Of that total, OMD has earmarked \$3,355,000 bond funds for the Pendleton site. The project is required to improve operational readiness and bring this essential facility to current building codes and higher resiliency standards. This work will enable AASF2 to be used for emergency responses post large scale disasters such as a Cascadia earthquake. This project will also reduce energy consumption and extend the useful life of the facility.

OMD has received \$2,340,000 in Federal Funds to provide resiliency upgrades and repair to the Pendleton AASF. The agency is rounding the limitation request up to **\$2,500,000**. The additional Federal Funds will contribute to provisions for improved operational readiness. The project will install seismic upgrades to the hangar to align with current building code standards. A new roof canopy will be constructed over the fuel station, and a new backup generator is programmed to replace the existing generator. Comprehensive design services will also be included. This facility will be designed to meet Industry Standards as well as all local, State, and Federal building

Salem Army Aviation Support Facility (AASF1 REEP)

The Salem Army Aviation Support Facility (AASF1) supports operations and maintenance of 12 HH-60M Blackhawk and 4 UH-72A Lakota helicopters, as well as one C12 Huron airplane.

Of the \$9,852,000 Other Funds and bond funding approved for the Salem and Pendleton AASF REEPs in House Bill 5006 by the 2019 Legislature, \$6,497,000 was committed to the Salem AASF1. The project is required to bring this essential facility to current building codes and higher resiliency standards. This work will enable the AASF1 to be used for emergency responses post a large scale disaster such as a Cascadia earthquake s. This project will also reduce energy consumption and extend the useful life of the facility.

OMD has received \$3,217,000 in Federal Funds from NGB to provide resiliency upgrades and repairs to the existing Salem AASF1 to improve operational readiness and bring the facility to a higher level

of Emergency Operations support. OMD is requesting **\$3,400,000** in limitation to cover potential cost and funding increases. The project will install seismic upgrades to Hangars 1 and 2 to current building code standards. A new roof canopy will be constructed over the fuel station, and a new backup generator is programmed to replace the existing generator. Energy upgrades are included on Hangar 1 encompassing partial insulated wall cladding, partial new window replacement, partial/remaining lighting replacement to LED, and new insulation over the lower roof. Other improvements include a partial roof replacement on Hangar 1 and wall finishes on both hangars.

Conclusion

All five projects included in this request have existing bond funding previously approved by the Legislature. The state investment acts as a leverage for additional Federal Funds from the National Guard Bureau as it demonstrates 1) the availability of state matching funds for the project and 2) the high priority placed by the state on these facilities. The Oregon Military Department is very appreciative of the Legislature's continued support of our facilities and operational readiness.

Action Requested

Establish Federal Funds Capital Construction limitations as listed below:

1. Ashland Armory Service Life Extension Project: \$3,513,600
2. Jackson Armory Service Life Extension Project: \$4,000,000
3. Newport Armory Regional Emergency Enhancement Project: \$1,300,000
4. Pendleton AASF Regional Emergency Enhancement Project: \$2,500,000
5. Salem AASF Regional Emergency Enhancement Project: \$3,400,000

Legislation Affected

None (new).

Thank you for your consideration of this request.

Sincerely,

Sean McCormick
Deputy Chief of State Affairs
Oregon Military Department