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March 31, 2023

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 House Bill 5005.

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 \$14,810,000 for projects at three facilities. The following provides a high-level synopsis of the goals and objectives for these projects:

Armory Service Life Extension Projects and Regional Emergency Enhancements - \$14,810,000 (\$14,567,117 project costs and \$242,883 bond issuance costs):

The **Armory Service Life Extension Projects (ASLEP)** are for three facilities for which 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 programing requirements associated with constructing new facilities. 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 extend the useful life of the facility through other means (bonds). One of the projects (McMinnville Armory) is both an ASLEP and a Regional Emergency Enhancement Project (REEP).

The facilities and requested limitations are as follows:

- Owen Summers Building - \$2,909,970 Other Funds: ASLEP
- Newport Armory - \$5,327,482 Other Funds: ASLEP
- McMinnville Armory - \$6,329,665 Other Funds: ASLEP and REEP

Each of these projects have, or 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 these three facilities are as follows:

1. Bring the facilities into conformance with current building code requirements.
2. Improve operational efficiencies.
3. Upgrade mechanical, electrical and lighting systems.
4. Upgrade building “envelope.”
5. Upgrades to facility grounds.

The proposed projects will bring the facilities into conformance with current building code, will replace outdated, inefficient, or defective building systems (including mechanical, electrical and plumbing), 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 these projects. 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.

Since 2007, the OMD has completed, and will continue to complete, ASLEP’s at 16 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 (Bend)
- Grants Pass Armory
- Owen Summers/Anderson Readiness Center (Salem-ongoing)
- Jackson Armory (Portland-ongoing)
- Ashland Armory (not yet started: bonds sold March 2023)
- Corvallis Armory (not yet started: bonds sold March 2023)

Regional Armory Emergency Enhancements (McMinnville)

One of the three Service Life Extension projects described above (McMinnville) will also include improvements to seismic resiliency to enable continuity of operations for OMD and our partners to support emergency response following a major natural disaster such as a Cascadia Subduction Zone rupture. This facility will effectively serve as a regional hub in the event of a disaster or emergency. Combined project costs for the regional emergency enhancements and the ASLEP are \$6,329,665 (also noted in the totals shown on page one).

Emergency enhancements work will provide the 'Emergency Operations Center' facility with structural improvements and upgrades, 24/7 emergency backup power with diesel or dual fuel generator sets with automatic transfer switches. Additionally, it 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 this site for use during a disaster, as well as provide for distribution to other facilities 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), and at the Salem and Pendleton Army Aviation Support Facilities (approved by the 2019 Legislature).

Following is background information on each of these armories:

The **Owen Summers** Facility was constructed in 1988 and totals 85,680 square feet. OMD has addressed many of the life-safety and other code compliance issues, such as ADA, with \$4.8 million bond funding (approved by the 2019 Legislature), and \$4 million Federal Funds from National Guard Bureau. However, building envelope components such as the metal roofing, failing asphalt and poor drainage in parking lot, water intensive landscaping, and elevator code compliance matters are other deferred maintenance issues that detract and reduce the overall usability and functions of the facility. The deferred maintenance issues, building condition and critical space shortage have resulted 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. The Oregon Military Department currently calculates Owen Summers building deferred maintenance at \$2.9 million. This project will alleviate much of the deferred maintenance liability, reduce operating costs and provide for a more productive work environment.

The **Newport** Armory was constructed in 1962 and is in a state of significant decline. Severe deficiencies in the electrical, mechanical, and structural components of this facility threaten its continued use for its intended purpose. The facility is 14,971 square feet and is short 15,169 of the current federal requirement. The deferred maintenance issues, building condition and critical space shortage have resulted 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 disasters. OMD currently calculates the Newport Armory service life extension at over \$5.3 million. Newport Armory is currently undergoing a Regional Emergency Enhancement Project to increase seismic resiliency funded

with \$1.0 million bond funding (approved by the 2017 Legislature) and \$747,300 in Federal Funds. This project will alleviate much of that deferred maintenance liability and improve the facility to better serve the Service Members year-round and the community in times of disasters.

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 requirement. The deferred maintenance issues, building condition and critical space shortage have resulted 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 at over \$6.3 million. This project will alleviate that deferred maintenance liability and provide the added benefit of resiliency in times of disasters.

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 greatly enhances OMD's ability to attract federal funds.

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

Sincerely,

Sean McCormick
Deputy Chief of State Affairs
Oregon Military Department