



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

April 7, 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 5006.

Armory Service Life Extension Projects and Regional Emergency Enhancements - \$14,567,117 Other Funds limitation

We are requesting the establishment of six-year Other Funds expenditure limitation, in the amount of \$14,567,117 for projects at three facilities. They would be funded with Article XI-Q general obligation bonds included in House Bill 5005. The following is a high-level synopsis of the goals and objectives for these projects.

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 as well as 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 limitation 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 codes, will replace outdated, inefficient, or defective building systems (including mechanical, electrical and plumbing), remodel existing classrooms, administrative spaces, latrines and 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; 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 will be completing, 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 major natural disasters such as a Cascadia Subduction Zone rupture. This facility will effectively serve as a regional hub during disasters

and emergencies. Total combined costs for these REEP and ASLEP projects are \$14,567,117 (*Also noted 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, or distribution to other facilities depending on the planned response and recovery missions. OMD is currently conducting REEPs 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 the National Guard Bureau (NGB). However, building envelope components such as the metal roofing, failing asphalt and poor drainage in the parking lot, water intensive landscaping, as well as 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 disasters. 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 Newport Armory service life extension at over \$5.3 million. Newport Armory is currently undergoing a REEP to increase seismic resiliency funded with \$1.0 million bond funding (*approved by the 2017 Legislature*) and \$747,300 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 disasters. 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 NGB to help enhance and expand the scope of the work being performed. Approved bond funding greatly enhances OMD's ability to attract federal funds.

Limitation Extensions

OMD is seeking to extend the expiration date on two Capital Construction project limitations:

1. Regional Armory Emergency Enhancements (Other Funds) for Newport, Coos Bay and the Anderson Readiness Centers: From June 30, 2023 to June 30, 2024; and
2. Camp Umatilla Regional Training Institute (now known as Rees Training Center) Reset (Federal Funds): From June 30, 2023 to June 30, 2024.

Property Sales

OMD is seeking legislative approval to sell its property in Christmas Valley, Oregon. It consists of 2,655 acres; 2,296 of which was purchased from the General Services Administration from 2010-2012. It also contains three large climate-controlled buildings. The property sits largely unused; it is currently leased to Dartmouth College for radar research. The cost to adapt it to military unit training is economically infeasible, and its use as a potential machine gun range would require additional land to accommodate the Surface Danger Zone. The Department of Defense (DoD) has recently expressed interest in acquiring the property for the Department of Homeland Security to install a new backscatter radar transmission site as part of a nationwide project to reactivate the early warning network. The sale to DoD is not certain at this point, but without legislative approval, it will not be possible.

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

Sean McCormick

Deputy Chief of State Affairs
Oregon Military Department