



# Oregon

Tina Kotek, Governor

Department of State Police

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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 Department of State Police (OSP) respectfully submits the following written testimony in relation to House Bill 5006.

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 \$44,115,000 project cost and bond issuance cost for three capital projects. The following are the goals and objectives for these projects approved from the 2021 session, including an update of current progress.

**Central Point Area Command: \$15,185,000 (\$15,000,000 project cost and \$185,000 bond issuance cost)**

OSP received Article XI-Q bond proceeds in the amount of \$33,961,269 in SB 5506 (2021) to renovate the existing building, new structure additions and other site development at the OSP Office in Central Point, Oregon. The original bond request was based upon an estimate of costs from several years prior, which is considerably outdated with different economic challenges to contend with include overall inflation, cost of construction escalation, material cost increases with lack of availability, and workforce shortages. Knowing that \$33.9m would not be sufficient to complete this project, an additional \$15m Article XI-Q bond proceeds were requested in OSP's Agency Request Budget build process also supported the Governor's Recommended Budget, which was an estimate given the limited information that we had at that time.

We are currently working through the process of construction design with our design build contractor, final design package is due to be complete early May 2023 with the hopes of beginning construction in June 2023. While working through this process not only was it becoming clear that we would likely need to request more bond funding in order to complete this project given the factors spoken about above, as well as the conclusion of the Geotechnical Design report that was completed as part of the due diligence process. The Geotechnical Evaluation reported the site surface and subsurface conditions and made recommendations for not only the proposed development but for the current structure as well. The conclusion of the report suggested that the subsurface soils and groundwater conditions will provide poor support for structural loads to bear on and will

require additional site preparation, significant structural modification, and all new foundation retrofit improvements to the existing OSP building along with deep foundations for support of both the existing building and new addition structures. All the factors discussed above have created a substantial increase in the cost of this project not originally taken into scope during the request for bond proceeds in the 2021 session. This project cost at this time is estimated to total \$60.4m.

**Springfield Patrol Area Command Office: \$7,385,000 (\$7,278,186 project cost and \$106,814 bond issuance cost)**

OSP received Article XI-Q bond proceeds in the amount of \$14,261,687 in the 21-23 biennium, and an additional \$2,278,186 of authorized proceeds which is included in this request for limitation to expend in the 23-25 biennium. The additional request of \$5m XI-Q bond proceeds is to complete the project which is estimated to cost 30-40% more because original cost estimates are not now relevant. This request was supported in the Governor's Recommended Budget.

This is the current location of the Springfield Area Command and Lab building, owned by ODOT, OSP has been leasing this building for the past 35 years. OSP is in negotiation with ODOT currently to purchase this building and the surrounding 5 acres. We will be purchasing this for \$2.25m, which is approximately 50% of the appraised value. We have begun the due diligence process and drafting the purchase agreement with ODOT. From there we plan to move onto land and project planning.

**Springfield Forensics Lab & Medical Examiner's Office: \$21,545,000 (\$21,320,000 project cost and \$225,000 bond issuance cost)**

OSP received Article XI-Q bond proceeds in the amount of \$61,982,733 in the 21-23 biennium, and an \$10,341,673 of authorized proceeds which is included in this request for limitation to expend in the 23-25 biennium. The additional request of \$10.8m XI-Q bond proceeds is to complete the project which is estimated to cost 30-40% more also because the original cost estimates are not relevant to current market. This request was supported by the Governor's Recommended Budget.

We have undergone the site selection process and have concluded property at 3300 Chad Drive in Eugene located along the Beltline is the planned future home of OSP's Eugene Crime Lab and Medical Examiner's Office. OSP and current Chad Drive property owner have signed the Purchase and Sale Agreement back on December 14, 2022 to purchase a total of 6.5 acres for \$3.81m or \$17.42/sq.ft, purchase price is calculated based only on the 5 buildable acres the other 1.5 acres includes ODOT permanent easement and other required code setbacks. We are currently working through the due diligence process on this parcel, deadline for that is June 30, 2023. We can move on to the design build process from there.

This concludes our testimony, thank you for your consideration of these projects.