

ANALYSIS

Item 9: Oregon Military Department Training, Equipment, and Readiness Facilities

Analyst: Travis Miller

Request: Increase Federal Funds capital construction expenditure limitation for the Oregon Military Department by \$375,000 and increase Other Funds capital construction expenditure limitation by \$705,000 for the Washington County Readiness Center; establish Federal Funds capital construction expenditure limitation of \$3,620,000 for the Rees Training Center Fire House; and establish Federal Funds capital construction expenditure limitation of \$2,500,000 for the Central Oregon Unit Training Equipment Site Wash Rack and Oil/Water Separator.

Analysis: The Oregon Military Department (OMD) is requesting the establishment of Federal Funds capital construction expenditure limitation for two new projects: the Raymond Rees Training Center (RTC) Fire House Project and the Central Oregon Unit Training Equipment Site (COUTES) Wash Rack and Oil/Water Separator Project. These projects are 100% federally funded and no state match is required.

RTC is located near Hermiston and encompasses approximately 8,000 acres of land formerly occupied by the Umatilla Chemical Depot, providing multiple military training environments and hosting the Regional Training Institute. The RTC Fire House Project will renovate the existing facility, which includes comprehensive interior improvements, safety, seismic, and system upgrades, and code compliance. The project is scheduled for completion in November 2027.

The COUTES Wash Rack and Oil/Water Separator Project is in Powell Butte and provides secure storage and maintenance facilities for military vehicles and other equipment, which supports effective training and operational readiness. The project will replace the existing outdated wash rack, enabling the removal of oil and other regulated materials from the water for proper disposal to meet discharge permit requirements. The project is scheduled for completion in December 2026.

OMD is also requesting an increase in Federal Funds and Other Funds capital construction expenditure limitation to complete an existing project at the Washington County Readiness Center (WCRC). WCRC will support Oregon National Guard operations and include a backup/emergency generator, paved parking, a controlled waste facility, and an unheated vehicle storage shed. The project is scheduled for completion in June 2027. The project initially received \$22.7 million in federal funding from the National Guard Bureau (NGB) and \$5.3 million in Article XI-Q general obligation bond proceeds. Federal funding for the project

was further increased by \$5.8 million in prior years. Additional funding for federal fiscal year 2025 has become available through the NGB, and the agency has an available balance within its Construction Cash Account to support the Other Funds expenditure increase.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board increase Federal Funds capital construction expenditure limitation for the Oregon Military Department by \$375,000 and increase Other Funds capital construction expenditure limitation by \$705,000 for the Washington County Readiness Center; establish a Federal Funds capital construction expenditure limitation of \$3,620,000 for the Oregon Military Department for the Rees Training Center Fire House; and establish a Federal Funds capital construction expenditure limitation of \$2,500,000 for the Oregon Military Department for the Central Oregon Unit Training Equipment Site Wash Rack and Oil/Water Separator.

Request: Establish a Capital Construction Federal Funds expenditure limitation of \$2,500,000 for Central Oregon Unit Training Equipment Site (COUTES) oil and water separator; establish a Capital Construction Federal Funds expenditure limitation of \$3,620,000 for the Rees Training Center (RTC) Fire House Project; increase Capital Construction Other Funds expenditure limitation by \$705,000 and Capital Construction Federal Funds expenditure limitation by \$375,000 for ongoing construction on the Washington County Readiness Center.

Recommendation: Approve the request.

Discussion: The Oregon Military Department (OMD) holds several cooperative agreements with the National Guard Bureau to receive Federal Funds for upgrades and other construction projects across OMD's state-based facilities. To expend funds on these projects, Capital Construction Federal Funds expenditure limitation must be established for two of the projects and Capital Construction Other Funds and Federal Funds expenditure limitation must be increased on an existing project. Throughout the remainder of this biennium, OMD expects to make the following facility enhancements:

- Building a new oil and water separator at COUTES (expected completion December 2026). COUTES supports military readiness by providing secure storage and maintenance for vehicles and equipment used in training and operational missions. Improvements include building a new wash rack and oil/water separator to properly clean vehicles and manage regulated materials in compliance with discharge requirements.
- Refurbishing and improving the existing RTC fire house (expected completion November 2027). The RTC is an 8,000-acre former Umatilla Chemical Depot site supporting up to 800 service members with ranges, maneuver space, driver training areas, and the Regional Training Institute's infantry courses. Renovations will enhance safety and seismic resilience, modernize critical systems, and update interior spaces so Oregon National Guard wildland fire crews can better focus on training and mission readiness. This will also improve operational efficiency by adding dedicated parking for fire vehicles, strengthening the facility's overall ability to support wildfire response.
- Upgrading infrastructure at the Washington County Readiness Center (expected completion June 2027): The Washington County Readiness Center, currently under construction, will provide a modern 81,584 square-foot facility to support the Oregon Army National Guard's training, administrative, and logistical needs, replacing the outdated Hillsboro Armory. Key upgrades include adding an emergency generator to ensure uninterrupted operations, paving organizational vehicle parking to support unit mobility, and installing a controlled waste facility that meets modern environmental requirements. The project also adds an unheated vehicle storage shed and other updated support spaces.

Legal Reference: Establishment of a Capital Construction expenditure limitation of \$2,500,000 for the Oregon Military Department for payment of expenses from Federal Funds, collected or received for the biennium beginning July 1, 2025, for the Central Oregon Unit Training Equipment Site.

Establishment of a Capital Construction expenditure limitation of \$3,620,000 for the Oregon Military Department for payment of expenses from Federal Funds, collected or received for the biennium beginning July 1, 2025, for the Rees Training Center Fire House Project.

Increase the Capital Construction Other Funds expenditure limitation established by chapter 659, section 1(2)(c), Oregon Laws 2021, for the Oregon Military Department for the Washington County Readiness Center by \$705,000 for the 2025-27 biennium.

Increase the Capital Construction Federal Funds expenditure limitation established by chapter 659, section 2(2)(c), Oregon Laws 2021, for the Oregon Military Department for the Washington County Readiness Center by \$375,000 for the 2025-27 biennium.



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May 11, 2026

The Honorable Senator Rob Wagner, Co-Chair
The Honorable Representative Julie Fahey, Co-Chair
Emergency Board
900 Court Street NE, H-178
Salem, OR 97301

Dear Senator Wagner and Representative Fahey:

Nature of the Request

The Oregon Military Department (OMD) requests the establishment of two Federal Fund Capital Construction limitations for new construction projects and an increase in Capital Construction Other Funds and Federal Funds limitation for the Washington County Readiness Center in Hillsboro. Specifically:

1. Establish \$3,620,000 Federal Funds Capital Construction limitation for the Rees Training Center Fire House project.
2. Establish \$2,500,000 for the Central Oregon Unit Training Equipment Site (COUTES) Wash Rack and Oil/Water separator project.
3. Increase the Washington County Readiness Center Other Funds Capital Construction limitation by \$705,000 and Federal Funds Capital Construction limitation by \$375,000.

Agency Action

Rees Training Center Fire House

The Raymond Rees Training Center (RTC) near Hermiston encompasses roughly 8,000 acres of the former Umatilla Chemical Depot and provides multiple training environments for up to 800 Service Members, including weapons firing ranges, limited maneuver space, tracked and wheeled vehicle driver training areas and lodging and dining facilities to support military training periods. RTC is also home to the Regional Training Institute (RTI), one of only two infantry training schools located west of the Mississippi River. RTI course offerings range from 5-day tactical certification courses to 19-day advanced leadership courses.

This project consists of refurbishing and improving the existing fire house facility at RTC. Federal Funds of \$3,620,000 from Cooperative Agreement 1001 for FFY 2025 will be used to make the

necessary code compliance, safety, seismic, system upgrades, and comprehensive interior improvements to allow Oregon National Guard Wildland Fire crews to focus on mission readiness and training activities. The project will also add a parking lot for fire vehicles. The renovation of the RTC Fire House is scheduled for completion in November 2027.

Central Oregon Unit Training Equipment Site Wash Rack and Oil/Water Separator

The Central Oregon Unit Training Equipment Site (COUTES) is located adjacent to Biak Training Center in Powell Butte. It provides secure storage and maintenance for military vehicles and other equipment to ensure effective training and operational readiness. It is essential for unit training exercises, deployments and other operational missions by keeping equipment in serviceable condition.

The COUTES Wash Rack and Oil/Water Separator project has federal fiscal year 2025 funding in Cooperative Agreement 1001. This project constructs a new wash rack structure and oil/water separator to wash military vehicles and separate oil and other regulated materials from the water for proper disposal and to meet discharge permit requirements. This structure replaces an outdated wash rack at the site. The project is scheduled for completion in December 2026.

Washington County Readiness Center

The Washington County Readiness Center, also known as the Hillsboro Armory, is currently under construction and will encompass 81,584 square feet. It will support training, administrative, and logistical requirements for the Oregon Army National Guard. This facility will include a backup/emergency generator, organizational vehicle paved parking, controlled waste facility and unheated vehicle storage shed. This facility is critical to OMD because the previous Hillsboro Armory no longer met mission requirements and was transferred to the Washington County Fair. The Oregon Army National Guard unit has been displaced to other armories while waiting for the new armory to be constructed, which is scheduled for completion in June 2027.

This project received initial Capital Construction limitation of \$5,300,000 Other Funds (XI-Q bonds) and \$22,700,000 Federal Funds limitation in 2021 SB 5506. The Federal Funds limitation was subsequently increased twice to \$28,500,000 (\$3,300,000 in 2024 HB 5202 and \$2,500,000 in 2025 HB 5051).

Federal funding is provided by a Military Construction Cooperative Agreement (MCCA) between the National Guard Bureau and OMD. Current authorized federal funding in the MCCA is \$28,873,450, which is \$373,450 larger than federal limitation. OMD is requesting a limitation increase of \$375,000 Federal Funds.

Total state funding needed for the project is \$6,005,000, which includes \$5,300,000 bond funding and an additional \$705,000: \$241,905 for the construction contract plus 100% state funded costs for art of \$185,238 (ORS 276.080) and 1.5% solar of \$277,857 (ORS 279C.527). OMD is

requesting \$705,000 additional limitation which will be sourced by the Construction Cash Account (CCA) within OMD. The CCA is authorized by ORS 396.525 and consists of proceeds from sales of real estate and interest earnings. There is sufficient cash in the account to cover the \$705,000 limitation increase.

Actions Requested

Establish \$3,620,000 Federal Funds Capital Construction limitation for the Rees Training Center Fire House Project.

Establish \$2,500,000 Federal Funds Capital Construction limitation for the COUTES Oil/Water Separator.

Increase Other Funds Capital Construction limitation for the Washington County Readiness Center by \$705,000.

Increase Federal Funds Capital Construction limitation for the Washington County Readiness Center by \$375,000.

Legislation Affected

Rees Training Center Fire House – None (new)

COUTES Oil Water Separator – None (new)

Washington County Readiness Center

Other Funds: Section 1 (2)(c), Chapter 659, OR Laws 2021

Federal Funds: Section 2 (2)(c), Chapter 659, OR Laws 2021

Thank you for your consideration of these requests.

Sincerely,

**Sean
McCormick**

Sean M. McCormick
Chief of State Affairs
Oregon Military Department

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McCormick
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