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April 30, 2021

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 Senate Bill 5506.

Armory Service Life Extension Projects and Regional Emergency Enhancements - \$21,371,872 Other Funds Limitation

We are requesting the establishment of six-year Other Funds expenditure limitation, in the amount of \$21,371,872 for projects at four facilities across the state. These projects would be funded with Article XI-Q general obligation bonds included in Senate Bill 5505. There is also a potential fifth project that would require \$22,700,000 Federal Funds and \$5,300,000 Other Funds Capital Construction limitation. The following is a high-level synopsis of the goals and objectives for these projects.

The Armory Service Life Extension Projects (ASLEPs) involve four facilities for which we are seeking to extend their useful lifespan due to the value each facility provides to the communities they serve and the National Guard missions. Due to the complexities of long-term planning and programming requirements associated with constructing new facilities, the goal of these projects is to perform infrastructure improvements to extend the useful life of the 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 facilities through other means (bonds). However, it is our past practice and intent for these projects to seek and leverage additional federal funding to maximize our projects.

The facilities and requested limitation are as follows:

- Ashland Armory - \$5,373,235 Other Funds
- Corvallis Armory – \$4,317,605 Other Funds
- McMinnville Armory - \$5,531,595 Other Funds#
- Kliever Armory (Portland) - \$6,149,437 Other Funds

Each of these projects 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 the Ashland, Corvallis, McMinnville and Kliever armories are as follows:

1. Bring the facilities into conformance with current building code requirements.
2. Abate any hazardous materials.
3. Improve operational efficiencies.
4. Upgrades to mechanical, electrical, plumbing and lighting systems.
5. Upgrades to building “envelopes.”
6. 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 meeting rooms/administrative space, latrines and showers, equipment storage areas, kitchens as well as assembly hall areas. The projects will repair or replace failed paving areas as well as repair or replace existing sites 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 14 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 Campus Facility (Bend)
- Grants Pass Armory (ongoing)
- Owen Summers/Anderson Readiness Center (Salem-ongoing)
- Jackson Armory (Portland-ongoing)

Regional Armory Emergency Enhancements (Ashland, Corvallis and McMinnville)

Three of the four Service Life Extension projects described above (Ashland, Corvallis and 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. These facilities will more effectively serve as regional hubs during disasters and emergencies. Project costs for the regional emergency enhancements and the ASLEP are combined in the totals shown on page one.

Emergency enhancements work will provide the 'Emergency Operations Center' facilities with structural improvements, upgrades, 24/7 emergency backup power (diesel or dual fuel generator sets with automatic transfer switches) as well as emergency potable water through maintained, tested, and certified wells, pumps, storage tanks and automatic controls. 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 disasters and emergencies or 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).

Background on each of these armories:

The **Ashland** Armory was constructed in 1988 and is 13,614 square feet short of the current federal requirement. OMD currently calculates Ashland Armory deferred maintenance and improved resiliency at over \$5.3M. This project will help to alleviate the deferred maintenance liabilities as well as provide the added benefit of more resiliency during disasters and emergencies.

The **Corvallis** Armory was built in 1959 and is 22,328 square feet short of current federal requirements, resulting in an unproductive training environment, improper storage of sensitive items, premature aging of mission essential equipment and overcrowding. OMD currently calculates Corvallis Armory deferred maintenance and improved resiliency at over \$4.3M. This project will help to eliminate the deferred maintenance liabilities and provide the added benefit of more resiliency during disasters and emergencies.

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 for necessary resiliency during disasters. OMD currently calculates McMinnville Armory deferred maintenance and improved resiliency at over \$5.5M. This project will help to alleviate the deferred maintenance liabilities and provide the added benefit of more resiliency during disasters and emergencies.

The **Kliever** Armory in Portland was constructed in 1968 and is in a state of significant decline with severe deficiencies in electrical, mechanical and structural components of this facility. The facility is more than 22,408 square feet short of the current federal requirement. OMD currently calculates Kliever Armory deferred maintenance at over \$6.1M. This project will help to eliminate the deferred maintenance liabilities.

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.

Potential new bond and limitation request: Washington County Readiness Center

The **Hillsboro** Armory, built in 1954, was transferred to Washington County in 2017 as part of a land swap which provided 8 acres of nearby land to OMD for construction of a larger armory which will better fill the needs of the two units stationed there. Federal funding for the new Washington County Readiness Center was originally scheduled for Federal Fiscal Year 2024 but is potentially being moved up by National Guard Bureau (NGB) to Federal Fiscal Year 2022, which begins October 1, 2021. OMD will be notified in May 2021, when the Future Years Defense Plan is released by NGB, whether the federal funding for this project has in fact been moved forward two years.

The \$22.7 million Federal funds will require state funding of \$5.3 million, which OMD is requesting as bond funds. Neither the federal limitation nor bond funding is yet included in the construction bill, SB 5506, or bond bill, SB 5505. OMD will work with the Chief Financial Office of the Department of Administrative Services and the Legislative Fiscal Office to add to these bills if the federal funds are approved for Federal Fiscal Year 2022.

New requests for Limitation: Camp Umatilla / Boardman Bombing Range

In addition to the projects listed above, the Oregon Military Department is requesting the establishment of \$14.7 million in six-year Federal Funds Capital Construction expenditure limitation for four projects at Camp Umatilla and one project at the Boardman Bombing Range. All five projects are 100% federally supported with no state match requirement. NGB notified OMD of these funds after the submittal of the Agency Request Budget and the issuance of the Governor's Budget.

The first project at Camp Umatilla will require \$6 million of Federal Funds Capital Construction limitation for a specially designed 14,677 square foot National Guard transient training barracks for advanced skills trainees conducting training at Camp Umatilla's Regional Training Institute (RTI). The project will consist of permanent construction of a new barracks comprised of up to 120 individual rooms. This facility will be designed to meet Industry Standards as well as all local, State, and Federal building codes as per Public Law 90-480. It will be designed to a minimum life of 50 years, in accordance with DoD's Unified Facilities Code (UFC 1-200-02), to include energy efficiencies, building envelope and integrated building systems performance as per ASA (IE & E) Sustainable Design and Development Policy Update 2017. It will be accessible for individuals with disabilities, as well as have antiterrorism measures, in accordance with the DoD Minimum Antiterrorism for building standards will be included in the facility. This limitation can be added to existing Federal Funds Capital Construction limitation originally approved by the September 2020 Emergency Board for different federally funded barracks projects at Camp Umatilla.

The second project at Camp Umatilla will require \$2 million of Federal Funds Capital Construction limitation to construct a new, approximately 2,900 square foot, transient training open bay enlisted barracks in order to improve operational readiness. The project provides billeting space for approximately 40 Service Members and will include building systems both within and outside of the primary facility's five feet perimeter combined with a durable, energy efficient basic design, in addition to latrines, showers and laundry, with minimal site development to parking and landscaping. This facility will be designed to meet Industry Standards as well as all local, State and Federal building codes, pursuant to Public Law 90-480. This limitation could also be added to existing Federal Funds Capital Construction limitation originally approved by the September 2020 Emergency Board for different federally funded barracks projects at Camp Umatilla.

The third project at Camp Umatilla will require \$1.1 million in Federal Funds Capital Construction limitation to construct a new controlled entry point, gate, and guardhouse to improve operational readiness as well as comply with Antiterrorism Force Protection requirements. The project will be of permanent construction and include an improved entry point for commercial activities, a new gate, identification check station building (guard house), roadway improvements, truck inspection lane as well as a barricade system. The project will be designed to meet industry standards in conformance with all local, State, and Federal building codes, pursuant to Public Law 90-480. Facilities will be designed to a minimum lifespan of 50 years in accordance with DoD's Unified Facilities Code (UFC 1-200-02) to include energy efficiencies with the building envelope and integrated building systems performance, in accordance to ASA (IE & E) Sustainable Design and Development Policy Update 2017. Access for individuals with disabilities will be included in the facility as well as antiterrorism measures in compliance with the DoD Minimum Antiterrorism standards for buildings. Limitation for this project can be added to the Federal Funds limitation for Camp Umatilla Infrastructure (boundary fencing and electrical infrastructure) originally approved by the September 2020 Emergency Board.

The fourth project at Camp Umatilla will require a \$2.6 million increase to already established Federal Funds Capital Construction Limitation for an expansion of the woody biomass heat system project currently underway. National Guard Bureau and the Department of the Army are considering a proposal from the Oregon Military Department to expand the biomass project to serve other facilities located on the post. The original, substantially complete, biomass project includes a Nodular Biomass Heating Plant serving 5 existing buildings totaling approximately 79,500 square feet (approved by the legislature in February 2018). -Nevertheless, the biomass node in Building 5069 has sufficient capacity to service an additional 41,550 square feet. The \$2.6 million will allow OMD to take advantage of the west node pellet boiler's additional capacity by adding 3 existing buildings to the biomass node for a total of 121,050 square feet to be served. By using existing available capacity, OMD anticipates an additional 20% in energy savings. The work being proposed is within the scope of the original limitation established in 2017. We anticipate that with approved funding, all new work could be completed by the currently established expiration date of June 30, 2023. Official approval, and notice of awarding the federal funds, has not yet been received by the Oregon Military Department. If OMD doesn't receive the notice of award prior to May 30, 2021, we will withdraw this portion of the request

and plan to approach the legislature during Interim Legislative Days to seek the necessary limitation.

The project at the Boardman Bombing Range will require \$3 million in Federal Funds Capital Construction limitation in order to provide an off-grid power system for the Tactical Unmanned Aerial Vehicle Operations Building at the Navy's austere Naval Weapons System Training Facility site near Boardman. The project adds up to \$3 million, is in addition to the existing Federal Funds Capital Construction limitation of \$12 million, and will include use of photovoltaics with battery storage as well as diesel backup generator power. The project may include additional resiliency features such as a biomass wood pellet heating system with propane backup. If approval and notice of award isn't received prior to May 30, 2021, the OMD will withdraw this portion of the request and plan to approach the legislature during Interim Legislative Days to seek the necessary limitation. The original Federal Funds Capital Construction limitation for the aerial vehicle building on Boardman was approved by the legislature in 2019.

Property Sales

The **Lebanon** Armory was constructed in 1950 and consists of 15,600 square feet situated on 0.45 acres. The Lebanon Organizational Maintenance Shop was constructed in 1960 and consists of 2,223 square feet situated on 1.10 acres. We are seeking authority to sell the Armory and Field Maintenance Shop in Lebanon due to encroachment issues and unit needs. Proceeds from the sale of these properties will be placed in the statutorily restricted Capital Construction Account¹ and will only be used for eligible Capital Construction expenses such as land acquisitions.

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

Sincerely,



David A. Stuckey
Deputy Director
Oregon Military Department

¹ The Military Department Capital Construction Account is described in ORS 396.525.