



**OREGON JUDICIAL DEPARTMENT  
Office of the State Court Administrator**

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, Oregon 97301

**RE:** HB 5005 Bonding Authorization for County Courthouse Replacement projects

Dear Co-Chairpersons:

The Oregon Judicial Department (OJD) respectfully requests bonding authorization for courthouse replacement projects (\$87.9 million) in Clackamas, Benton, Curry, Harney, and Morrow counties. These projects were recommended in the 2023-25 Chief Justice's Recommended Budget. The completion of these projects will provide safety for court users and ensure efficient court operations for decades to come.

**Oregon Courthouse Capital Construction and Improvement Fund Requests:**

Counties are by law responsible to provide suitable and sufficient court facilities for state circuit courts. This legal responsibility continued when the State of Oregon assumed responsibility decades ago for the operating costs of courts and providing indigent defense.

Many courthouses, however, have significant deferred maintenance, and many lack seismic protection. The 2013 Legislature created the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF) to provide state matching funds to replace unsafe courthouses. Oregon law provides that the fund is intended to "... be used solely to finance costs related to acquiring, constructing, remodeling, repairing, equipping or furnishing land, improvements, courthouses or portions of courthouses that are owned by or operated by the State of Oregon." Under current practice, new state-supported courthouses continue to be owned by counties but are operated by the state under no-cost lease agreements

To be eligible for OCCCIF funding:

- The courthouse with respect to which the bonds will be issued must have significant structural defects, including seismic defects, that present actual or potential threats to human health and safety;
- Replacing the courthouse, whether by acquiring and remodeling or repairing an existing building or by constructing a new building, must be more cost-effective than remodeling or repairing the courthouse;
- Replacing the courthouse must create an opportunity for co-location of the court with other state offices; and,
- The Chief Justice and the Department of Administrative Services must approve the project for which the bonds will be used.

State matching funds may be up to 50 percent of allowable project costs for state-used space (courts, the co-located agency, and common areas) if the new courthouse also provides space for co-location opportunities with a state agency. If co-location is not included, then the allowable match may not exceed 25 percent of project costs. Costs for locating any county offices in the new facility, including district attorney offices, continue to be the responsibility of the county.

Two courthouses have been completed through the OCCCIF, with a third now completely funded. Jefferson County courthouse was the first completed in September 2016. The total cost of the project was \$15 million, with the state providing a planned \$6.5 million in matching funds (50 percent of allowable expenses).

The second project completed was the 17-story Multnomah County Courthouse, which opened in October 2020, four years after breaking ground. State bonds were approved in four biennia. Total state bonding for the project includes \$125 million for construction and \$11.0 million for furniture, fixture and equipment (FFE), for a total state contribution of \$136.0 million plus costs related to bond Cost-of-Issuance (COI).

The Crook County Courthouse is the third project to be fully funded through the OCCCIF program. This 1909 building ranked 40th in the Oregon Court Facilities Assessment, only slightly better than the Curry County facility. The assessment noted “excessive” upgrades needed in seismic safety and in-custody defendant areas, and “significant” upgrades needed in security and other building systems. The county has designed to replace the existing courthouse with a multi-purpose, multi-agency justice center. In 2021, OJD was provided with \$169,827 in ARPA planning funds. In the 2021 session, OJD was authorized to sell \$11.9 million in XI-Q bonds for construction. In the 2022 short session however, the county requested and OJD was authorized an additional amount totaling \$16.3 million for construction and COI in place of the \$11.9 originally approved in the 2021 session. The total state contribution is \$16.5 million. The building is projected to be complete spring of 2024.

OJD is now requesting authorization of \$87.9 million in the 2023-25 biennium for courthouse replacement projects in Clackamas, Benton, Curry, Harney, and Morrow counties.

### Clackamas County Courthouse

The new courthouse facility is proposed for construction on the county's Red Soils campus and would provide a seismically safe building, allow sufficient space for court operations, allow jurors to convene in the courthouse instead of in a separate building, and consolidate district attorney offices into one building. The 2017 Legislature approved \$1.2 million General Fund for project planning. The 2019 Legislature authorized \$31.5 million that were not issued, but were instead reauthorized along with additional funding totaling \$94.5 million in the 2021-23 biennium. The final request for this project in the 2023-25 biennium including COI is \$61.7 million, which would bring the state's contribution to a total of \$157.4 million. The county is proposing a public-private-partnership approach that may serve as an example of another financing option for counties to utilize.

### Benton County Courthouse

The Benton County courthouse was built in 1888. The county completed a thorough seismic evaluation of the building, which is on the National Historic Register. The county is conducting a public outreach effort and is looking to build a replacement courthouse as part of a justice center facility (estimated \$130 million) in Corvallis. The county was appropriated \$2 million in planning funds by the 2019 Legislature (carried forward in the 2021-23 biennium) and \$26.6 million in bond funds for the 2021-23 biennium. They are now requesting a final construction bond funding amount of \$5.1 million, which would bring the state's total contribution to \$33.7 million.

### Curry County Courthouse

The Curry County courthouse was built in 1956 and is connected by a pathway to the adjacent sheriff's office and jail. Ranked 42nd among the 48 court facilities in the Oregon Court Facilities Assessment, it is the lowest-ranked courthouse for which OJD is requesting replacement funding. The assessment found the facility needed significant upgrades to fire alarm and fire sprinkler systems, plumbing, and power systems. In 2021, OJD was provided with \$3.5 million of American Rescue Plan Act (ARPA) funds to support project planning. The county estimates they will need \$10.6 million in bonds in the 2023-25 biennium for construction.

### Harney County Courthouse

The Harney County courthouse is located in Burns and was constructed in 1949. Renovations have been made, but structurally the building has remained substantially unchanged. It is a 22,000 square foot, two-story structure with a basement. The 1942 courthouse building retains much of its historic detail and character. Overall, the courthouse is ranked 27th in terms of overall rating out of the 48 facilities reviewed for the Oregon Court Facilities Assessment.

Recently, the county has purchased the Lincoln building that was previously owned by the school district and has plans to renovate the 3rd floor to serve as the new courthouse with indigent defense providers (OPDS) as the co-located state agency. Though this project is still in early planning stages renovation costs are projected at \$6 million, and the state's share of \$3 million is being requested in 2023 through either bond funding, or as a General Fund appropriation.

### Morrow County Courthouse

The Morrow County courthouse is a three-story building (including basement) constructed in 1902. The building is located on a high point at the edge of downtown Heppner and overlooks the

town. The building retains much of its original historic detail and character. The Morrow County courthouse has a structural system consisting of unreinforced masonry (URM) bearing/shear walls with wood-framed floor and roof systems and has not been seismically reinforced as part of any past renovation projects.

For decades, Morrow County and state courts have provided court services in a space that is insufficient and has safety and security concerns. Overall, the courthouse is ranked 43rd in terms of overall rating out of the 48 facilities (sixth worst) reviewed for the Oregon Court Facilities Assessment. Morrow County has general fund dollars available, as well as discretionary funds from Strategic Investment Program (SIP) agreements and other payment in lieu of tax programs. The Board of Commissioners is committed to the replacement project that they estimate will cost \$12,805,000, meaning the state's matching portion would be \$6,402,500 plus COI in bond funding in the 2023-25 biennium.

Thank you for your consideration. For additional information, please contact David Moon, Business and Fiscal Services Director, at (503) 602-5150.

cc: John Borden, Legislative Fiscal Analyst