

HB 5201 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Various Agencies

2023-25

PRELIMINARY

Summary of Changes in Bonding Authority

| Program Designation | 2023-25 Legislatively Adopted Budget | 2023-25 Legislatively Approved Budget | 2024 Session Legislative Adjustments |
|--|---|--|---|
| GENERAL OBLIGATION BONDS | | | |
| General Fund Obligations | | | |
| Department of Administrative Services (Art. XI-Q) | \$ 1,351,324,192 | \$ 1,393,562,272 | \$ 42,238,080 |
| Dedicated Fund Obligations | | | |
| Higher Education Coordinating Comm. (Art. XI-F(1)) | \$ 24,505,000 | \$ 26,520,000 | \$ 2,015,000 |
| Department of Administrative Services (Art. XI-Q) | \$ 122,470,718 | \$ 125,652,638 | \$ 3,181,920 |
| Total General Obligation Bonds | \$ 2,156,739,910 | \$ 2,204,174,910 | \$ 47,435,000 |
| REVENUE BONDS | | | |
| Direct Revenue Bonds | | | |
| Department of Administrative Services | | | |
| Lottery Revenue Bonds | \$ 501,100,000 | \$ 528,330,000 | \$ 27,230,000 |
| Total Direct Revenue Bonds | \$ 1,911,100,000 | \$ 1,938,330,000 | \$ 27,230,000 |

PRELIMINARY

Summary of Capital Construction Subcommittee Action

HB 5201 increases bond authorizations for the 2023-25 biennium and makes changes to previously approved bonds authorizations.

General Fund Obligations

1. The Subcommittee approved General Fund supported Article XI-Q general obligation bond authority of \$42,238,080 to finance the capital costs of projects for real or personal property owned or operated by the state. The projects and agencies are listed below, with the exception of HECC; projects funded by grants from the HECC to Public Universities are described later in this report.
 - Oregon Youth Authority, Camp Riverbend Dorm Renovation: authorized an additional \$3,550,000 Article XI-Q bonds to finance \$3,500,000 of project costs and \$50,000 for costs of issuing the bonds. The ongoing project involves capital improvements to renovate and expand two living units and supporting spaces at the Camp Riverbend Youth Correctional Facility, including the Riverbend building and the Hilgard building.
 - Oregon Youth Authority, Tillamook Dorm Renovation: authorized an additional \$3,650,000 Article XI-Q bonds to finance \$3,600,000 of project costs and \$50,000 for costs of issuing the bonds. The ongoing project involves capital improvements to renovate and remodel two living units and supporting spaces at the Tillamook Youth Correctional Facility.
 - Oregon Youth Authority, Tillamook Medical and Dental Renovations: authorized an additional \$830,000 Article XI-Q bonds to finance \$800,000 of project costs and \$30,000 for costs of issuing the bonds. The ongoing project involves capital improvements to remodel and expand the medical and dental clinic at the Tillamook Youth Correctional Facility to meet operational needs.
 - Oregon Youth Authority, Oak Creek Youth Correctional Facility: approved \$4,050,000 Article XI-Q bonds to finance \$4,000,000 of project costs and \$50,000 for costs of issuing the bonds. The project will create a large, off-living unit school and vocational center for the female youth at the Oak Creek Youth Correctional Facility.
 - Oregon Judicial Department, Clackamas County Courthouse: authorized an additional \$15,170,000 Article XI-Q bonds to finance \$15,000,000 of project costs and \$170,000 for costs of issuing the bonds. The ongoing project is to construct a new facility to replace the Clackamas County Courthouse. The proceeds are to be limited to construction and finishing work on the courthouse and improvements to the Red Soils Campus site. Proceeds are not authorized for off-site road infrastructure improvements.

- Oregon Judicial Department, Benton County Courthouse: authorized an additional \$6,975,000 Article XI-Q bonds to finance \$6,902,999 of project costs and \$72,001 for costs of issuing the bonds. The ongoing project is to construct a new facility to replace the Benton County Courthouse.
- Department of Emergency Management, Resiliency Grant Fund: approved \$5,095,000 Article XI-Q bonds to finance \$5,000,000 of project costs and \$95,000 for costs of issuing the bonds. The bond proceeds will be used to purchase emergency preparedness equipment, which will be owned by the Oregon Department of Emergency Management and distributed to local governments and other federal tax-exempt qualified recipients through the State Preparedness and Incident Response Equipment Grant (SPIRE) program. A maximum of \$1,000,000 may be spent on urban search and rescue preparedness equipment.
- Department of Forestry, Multi-Mission Aircraft: decreased previously approved Article XI-Q bonds by \$2,724,960 to correct the split between General Fund and Dedicated Other Funds support. The project is to replace ODF's existing light fixed wing aircraft with a new aircraft to continue the mission of fire detection as well as offering additional logistics and transportation capabilities. A total of \$4,720,020 General Fund-supported Article XI-Q bond authority to finance \$4,656,000 of project costs and \$64,020 for costs of issuing the bonds remains for the 2023-25 biennium.
- Department of Forestry, Salem Airport Hangar: decreased previously approved Article XI-Q bonds by \$456,960 to correct the split between General Fund and Dedicated Other Funds support. The project is to renovate or replace the agency's existing aircraft hangar at Salem Municipal Airport to accommodate a larger aircraft. A total of \$791,520 General Fund-supported Article XI-Q bond authority to finance \$776,000 of project costs and \$15,520 for costs of issuing the bonds remains for the 2023-25 biennium.

Dedicated Fund Obligations

2. The Subcommittee approved XI-F(1) general obligation bond authority of \$2,015,000 to fund loans to Public Universities through the Higher Education Coordinating Commission to finance one capital project. The project is described later in this report.
3. The Subcommittee approved Article XI-Q general obligation bond authority of \$3,181,920 to finance all or a portion of the following projects:

- Oregon Liquor and Cannabis Commission, Liquor Warehouse Land and Building: decreased previously approved Article XI-Q bonds by \$9,120,000, including \$9,000,000 for project costs and \$120,000 for costs of issuing the bonds. A corresponding increase in authorization for the Liquor Warehouse Conveyor System project is approved to shift funding from the Warehouse Building to the Conveyor System. A total of \$46,395,000 Article XI-Q bond authority to finance \$45,917,783 of project costs and \$477,217 for costs of issuing the bonds remains for the 2023-25 biennium.
- Oregon Liquor and Cannabis Commission, Liquor Warehouse Conveyor System: increased previously approved Article XI-Q bonds by \$9,120,000, including \$9,000,000 for project costs and \$120,000 for costs of issuing the bonds. A corresponding decrease in authorization for the Liquor Warehouse Land and Building project is approved to shift funding from the Warehouse Building to the Conveyor System. A total of \$24,305,000 Article XI-Q bond authority to finance \$24,000,000 of project costs and \$305,000 for costs of issuing the bonds is approved for the 2023-25 biennium.
- Department of Forestry, Multi-Mission Aircraft: increased previously approved Article XI-Q bonds by \$2,724,960 to correct the split between General Fund and Dedicated Other Funds support. The project is to replace ODF's existing light fixed wing aircraft with a new aircraft to continue the mission of fire detection as well as offering additional logistics and transportation capabilities. A total of \$7,444,980 Article XI-Q bond authority to finance \$7,344,000 of project costs and \$100,980 for costs of issuing the bonds is approved for the 2023-25 biennium. Debt service on the bonds will be paid using agency resources (Other Funds).
- Department of Forestry, Salem Airport Hangar: increased previously approved Article XI-Q bonds by \$456,960 to correct the split between General Fund and Dedicated Other Funds support. The project is to renovate or replace the agency's existing aircraft hangar at Salem Municipal Airport to accommodate a larger aircraft. A total of \$1,248,480 Article XI-Q bond authority to finance \$1,224,000 of project costs and \$24,480 for costs of issuing the bonds is approved for the 2023-25 biennium. Debt service on the bonds will be paid using agency resources (Other Funds).

Revenue Bonds

4. The Subcommittee increased the lottery revenue bond limit for Department of Administrative Services by \$27,230,000, from \$501,100,000 to \$528,330,000. Lottery revenue bond authorizations were increased to finance four new projects. In addition, authorization was increased for one project and removed for two projects approved in the 2023 legislative session. The repealed projects are supported with General Fund appropriations in SB 5701 (2024). New lottery revenue bond project authorizations include:

- Department of Administrative Services, Parrott Creek Bright Futures Youth Residential Treatment Campus: approved \$4,440,000 lottery revenue bonds to finance \$4,000,000 of project costs and \$440,000 for costs of issuing the bonds and debt service reserves. Lottery bond proceeds will be distributed to Parrott Creek Child and Family Services to construct a youth residential treatment campus in Clackamas County.
- Department of Administrative Services, Family YMCA of Marion and Polk Counties Centralized Social Service and Resource Center: approved \$3,335,000 lottery revenue bonds to finance \$3,000,000 of project costs and \$335,000 for costs of issuing the bonds and debt service reserves. Lottery bond proceeds will be distributed to the Family YMCA of Marion and Polk Counties to develop a centralized social service and resource center that includes affordable housing in downtown Salem on the site of the former Statesman Journal building on NE Church Street.
- Department of Administrative Services, Lane County Fairgrounds Multi-Use Facility: approved \$8,340,000 lottery revenue bonds to finance \$7,500,000 of project costs and \$840,000 for costs of issuing the bonds and debt service reserves. Lottery bond proceeds will be distributed to Lane County for construction of the Fairgrounds Multi-Use Facility. The facility will offer a mix of sports and cultural engagements, in addition to serving as the home of the Eugene Emeralds baseball team. Issuance of bonds and distribution of net proceeds to Lane County is contingent upon all other financing for the project being secured.
- Department of Administrative Services, City of Hillsboro Hops Ballpark: approved \$16,640,000 lottery revenue bonds to finance \$15,000,000 of project costs and \$1,640,000 for costs of issuing the bonds and debt service reserves. Lottery bond proceeds will be distributed to the City of Hillsboro for construction of the new Hillsboro Hops Ballpark. The ballpark, built within the Gordon Faber Recreation Complex, will meet new Major League Baseball “High A” stadium requirements. Issuance of bonds and distribution of net proceeds to City of Hillsboro is contingent upon all other financing for the project being secured.

The Subcommittee approved the following modifications to the authorizations of to three previously approved lottery revenue bond projects:

- Department of Administrative Services, City of Eugene: authorized to receive \$5,505,000 in lottery bond proceeds in the 2023 legislative session to finance \$5,000,000 of project costs and \$505,000 for costs of issuing the bonds and debt service reserves for construction of stadium facilities at the Eugene Civic Park. The authorization was repealed in this bill and replaced with a \$5

million General Fund appropriation to the Eugene Civic Alliance, the updated recipient for the project, in SB 5701, in lieu of issuing lottery bonds.

- Department of Administrative Services, Latino Network: authorized to receive \$4,460,000 in lottery bond proceeds in the 2023 legislative session to finance \$4,000,000 of project costs and \$460,000 for costs of issuing the bonds and debt service reserves for construction of La Plaza Esperanza in east Multnomah County. The authorization was repealed in this bill and replaced with a \$4 million General Fund appropriation in SB 5701, in lieu of issuing lottery bonds.
- Oregon Business Development Department, City of Aumsville: authorized to receive \$5,505,000 in lottery bond proceeds in the 2023 legislative session to finance \$5,000,000 of project costs and \$505,000 for costs of issuing the bonds and debt service reserves to build a mechanical processing wastewater treatment plant. This bill increases the total authorization to \$9,945,000 in lottery bond proceeds to finance \$9,000,000 of project costs and \$945,000 for costs of issuing the bonds and debt service reserves. In addition, the scope of the project is modified. The updated project scope is to build a wastewater treatment plant and increase the capacity of several segments of the gravity collection sewer system.

Other Legislative Changes

The Subcommittee approved the following scope or recipient modifications to previously approved authorizations for two community college projects, two state agency projects, and four lottery revenue bond projects included in the budgets for the Department of Administrative Services, Higher Education Coordinating Commission, Department of Fish and Wildlife, Department of Transportation, and the Oregon Business Development Department, respectively:

- Rogue Community College, Transportation Technology Centers: approved modifying the scope of the Transportation Technology Center project authorized in the 2023 legislative session to allow renovations to a building on the Table Rock Campus in addition to the new facility on the Redwood Campus. Article XI-G bonds in the amount of \$7,105,000 were originally approved to construct a new facility on the Redwood Campus for instruction and training in the field of transportation technology. This new facility on the Redwood Campus will be reduced in size to allow remaining funds to be used for renovations and expansion of an existing building on the Table Rock Campus. As a result, facilities on both campuses will include inventory management, project storage, vehicle and equipment bays, lab preparation areas, faculty offices, student study areas, support staff offices and work areas. The project also continues to include purchasing instructional technology and technology infrastructure to enable connectivity to the existing technology network and expand the current capability for technology-based instruction at both campuses. The approved amount includes \$7,000,000 for project

costs and \$105,000 for costs of issuing bonds. The community college will provide the constitutionally required match for the Article XI-G bonds through grants and/or donations.

- Umpqua Community College, Welcome Center and Medical Careers Training Hub: approved modifying the scope of the Welcome Center and Medical Careers Training Hub project authorized in the 2023 legislative session to remove the square footage and location of the new building from the project description. Article XI-G bonds in the amount of \$8,110,000 were originally approved to construct a new 26,000 square foot two-story building to replace the existing Administrative building. The college would like to wait to determine the square footage, number of floors and location of the new building until after the design phase is complete. The new building will still provide consolidated offices of admissions, advising, new student registration, financial services, and student records as well as instructional spaces dedicated to medical career programs. The approved amount includes \$8,000,000 for project costs and \$110,000 for costs of issuing bonds. The community college will provide the constitutionally required match for the Article XI-G bonds through grants and/or donations.
- Department of Fish and Wildlife, Capital Improvement and Renewal: approved modifying the scope of the Capital Improvement and Renewal projects authorized in the 2023 and 2021 legislative sessions to allow the agency to purchase land and construct new district offices if this is deemed a better solution than renovating existing buildings or rebuilding offices on the same sites. Article XI-Q bonds in the amount of \$2,540,000 in the 2023 session, and \$5,105,000 in the 2021 session, were originally approved to make capital improvements to replace buildings and address deferred maintenance at various facilities.
- Oregon Liquor and Cannabis Commission, Liquor Warehouse Land and Building: approved modifying the scope of the Liquor Warehouse Land and Building project authorized in the 2023 session to remove the new headquarters. The agency conducted a space analysis that showed it would be more cost effective to lease from existing office space than build a new headquarters on the site of the new warehouse. This change will allow a shift of bond funding to the conveyor project, which has escalated in cost.
- Oregon Business Development Department, Port of Port Orford Site and Facility Redevelopment: approved modifying the scope of the Infrastructure Improvements of Port Facilities and Site for the Port of Port Orford, to install a seawater pump ashore and distribution system to pump undiluted seawater directly from the ocean adjacent to the Port of Port Orford, including installation of a seawater reservoir. The new system will benefit the seafood and aquaculture industries, commercial fisherman and researchers. The project was funded with \$500,000 in net lottery bond proceeds authorized for the Regional Infrastructure Fund in the 2017 legislative session and approved at the September 2018 meeting of the Emergency Board, to include improvements to port facilities and site.

- Oregon Business Development Department, International Port of Coos Bay Federal Navigation Channel Modification: approved modifying the scope of \$40 million in lottery revenue bond proceeds authorized in the 2023 legislative session for the 2023-25 and 2025-27 biennia. The new scope is for distribution to the Oregon International Port of Coos Bay to deepen and widen the Coos Bay Federal Navigation Channel and for the design, engineering, permitting and land acquisition efforts related to the Pacific Coast Intermodal Port project.
- Department of Administrative Services, McKenzie River Discovery Center: approved modifying the scope of \$3 million lottery revenue bonds proceeds authorized in the 2023 legislative session to allow McKenzie River Discovery Center to restore, renovate, remodel or rebuild several historical buildings to create exhibition space and undertake other site improvements at the location of the Historic Old Leaburg Fish Hatchery.
- Department of Transportation, Port of Hood River Hood River-White Salmon Interstate Bridge Replacement: approved modifying the recipient of \$20 million lottery revenue bonds proceeds authorized in 2023 legislative session. The updated recipient for the project is the Hood River – White Salmon Bridge Authority.

Higher Education Coordinating Commission - Public Universities

The Subcommittee approved two new capital projects for public universities to finance total project costs of \$8,000,000. The projects are included in the budget for the Higher Education Coordinating Commission (HECC). The proceeds of Article XI-Q general obligation bonds will be used to provide grants from HECC to the applicable public university, and the debt service on these bonds will be paid with General Fund. The proceeds of Article XI-F(1) bonds will be used to provide loans from HECC to the applicable public university, and the debt service on the Article XI-F(1) bonds will be paid by HECC with Other Funds using loan repayments received from the applicable university made with university resources. The approved projects are listed below.

Portland State University

- Higher Education Coordinating Commission, Portland State University, Vernier Science Center and Gateway Art and Design Project Completions: approved an additional \$2,015,000 Article XI-F(1) bonds to finance \$2,000,000 of project costs and \$15,000 for costs of issuing the bonds. The authorization results in total 2023-25 Article XI-F(1) bond authority of \$18,205,000, including \$18,000,000 in project costs and \$205,000 for costs of issuing the bonds, to complete two capital projects already started, the Vernier Science Center and the Gateway Art and Design. Additionally, the project will allow for changes to associated PSU owned buildings to implement overall project goals.

Southern Oregon University

- Higher Education Coordinating Commission, Southern Oregon University, Central Hall Capital Improvements (Phase II): approved an additional \$6,100,000 Article XI-Q bonds to finance \$6,000,000 of project costs and \$100,000 for costs of issuing the bonds to complete the renovation of Central Hall. The project was initially funded in the 2017 legislative session with a \$6,125,000 authorization to finance \$6,000,000 in project costs to replace the HVAC system and electrical systems, upgrade the fire alarm system, improve ADA accessibility, and address water penetration of the exterior concrete façade. Given cost escalations, the project was not able to be completed with available funding, so in the 2022 legislative session, there was a scope change to phase the project. Phase I used the initial authorization to complete work on the ground (second) floor. Phase II of the project will use the authorization in this bill to complete work on the basement and top (third) floor, and complete building wide system upgrades, to allow Central Hall to be fully reoccupied for use by students.

PRELIMINARY