



February 20, 2024

Joint Committee on Ways and Means, Subcommittee on Capital Construction
Senator Fred Girod
Representative Paul Holvey

Dear Co-Chairs Girod and Holvey:

The Clackamas County Board of Commissioners supports the Oregon Judicial Department's (OJD) \$21 million request to conclude the state funding obligation for the Clackamas County Courthouse Replacement Project. We are grateful for this partnership between OJD and the county, and are pleased to report the project currently remains on time and on budget.

The Board of Commissioners approved moving forward in good faith that the State would honor its funding commitment by approving the Chief Justice's budget request. To bring the project to bid, the county received an initial state investment of \$94.5 million in 2021, in accordance to the requirements of the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). In 2023, the State Legislature authorized an additional \$30 million. This leaves a remainder of \$21 million in state funding to complete the financing of the Clackamas County Replacement Project.

We appreciate the nature of a short session operates on limited bonding capacity, and that there are numerous requests across Oregon. Completing the State's funding commitment in 2024 accomplishes the completion of state funding commitment to this project, and makes way for future courthouse projects to have priority in future sessions. Failure by the legislature to fund this request in-full will require the county to leverage funds to cover the gap in state funding, stressing county general fund dollars that might otherwise go to public services, and will require Clackamas County and OJD to return in 2025 to request final state funding.

To address lingering questions about details within the project scope, our staff has met in good faith with Legislative Fiscal Office – even providing a tour of the construction site – to better understand concerns and provide clarity to the nature of the project and funding eligibility. At this time, we submit in confidence that the requested \$21 million is eligible within the funding agreement between OJD and the county.

We are very grateful for the funding that has already been approved in prior session. We would not have been able to advance the courthouse project without the state program. We are eager to conclude these requests and open a courthouse that will be a model example of good state and county partnerships.



BOARD OF COUNTY COMMISSIONERS
PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Thank you for your attention to this matter.

Sincerely,
Clackamas County Board of Commissioners

Tootie Smith, Chair

Commissioner Paul Savas

Commissioner Martha Schrader

Commissioner Mark Shull

Commissioner Ben West

cc: Clackamas Caucus

Attachments: OJD Courthouse Request Letter
Clackamas Courthouse Fact Sheet



OREGON JUDICIAL DEPARTMENT
Office of the State Court Administrator

January 16, 2024
(SENT BY EMAIL)

The Honorable Elizabeth Steiner, Co-Chair
The Honorable Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Clackamas Courthouse Replacement Final Construction Bond Request

Dear Co-Chair Steiner and Co-Chair Sanchez:

Nature of Request

The Oregon Judicial Department (OJD) requests an increase in XI-Q Bond authority, Cost of Issuance (COI), and accompanying Other Fund Limitation to complete the Clackamas County Courthouse Replacement.

Background

Counties are statutorily 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.

Counties may receive up to a 50 percent match of the costs to provide circuit court facilities if the new courthouse also provides space to co-locate a state agency with the court. The state match is limited to 25 percent without co-location. The state match may be applied to the cost of the co-located agency space, but does not apply to any county-supported offices located in the new courthouse.

In order to receive state funds, the project must be approved by the Chief Justice and the Department of Administrative Services, as well as receive legislative authority to issue the bonds. Proceeds for the state bonds are deposited in the OCCCIF and are used to reimburse counties for eligible expenses. County-matching funds also are temporarily deposited in the OCCCIF, to verify that counties have their matching funds and to dedicate those funds to the courthouse project.

The current Clackamas County Courthouse was built in 1936 with one courtroom and has been expanded over the years but reached its capacity for expansion some time ago. The new courthouse is being constructed on the county's Red Soils campus and will provide a seismically safe building, allow sufficient space for court operations, and allow jurors to convene in the courthouse instead of in a separate building.

The county has approved a public-private-partnership approach that may serve as an example of another financing option for counties. The P3 "Project Company" is responsible for the new courthouse design, financing, operation, and maintenance. Under the agreement, the state will make a milestone payment to the P3 and the county's matching funds requirement will be made as "availability" payments over the course of the next 30 years.

The 2017 Legislature approved \$1.2 million General Fund for project planning. The 2022 Legislature authorized \$95.4 million in state bonds. The county projected a final construction need of \$60 million, and the 2023 Legislature authorized \$30 million in bonds.

This request is for a total of \$21.2 million to fund \$20.9 million in final construction costs and \$207,980 in COI for the bonds. OJD is also requesting Other Fund Limitation to disburse \$207,980 of COI, \$20.9 million in state bonds, and \$20.9 million of county-matching funds.

Action Requested

OJD requests an increase of \$21.2 million in XI-Q bond authority to fund the final construction costs and COI to complete the Clackamas County Courthouse.

OJD is also requesting Other Fund Limitation to disburse the \$20.9 million in state bonds, \$20.9 million of county-matching funds, and \$207,980 in COI.

Legislation Affected

Increase of \$21,150,000 of Clackamas County Courthouse XI-Q bond authority in HB 5005 (Oregon Laws 2023, chapter 596, section 1(6)(m)(B)).


Joint Committee on Ways and Means
Page 3
January 16, 2024

Increase of \$207,980 of Other Fund Limitation for the Cost of Issuance in SB 5506 (Oregon Laws 2023, chapter 605, section 138).

Increase of \$20,942,020 of Other Fund limitation for Clackamas Courthouse State Funds in SB 5506 (Oregon Laws 2023, chapter 605, section 141).

Increase of \$20,942,020 of Other Fund limitation for Clackamas Courthouse local matching funds in SB 5506 (Oregon Laws 2023, chapter 605, section 142).

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy J. Cozine". The signature is fluid and cursive, with a large loop at the end.

Nancy J. Cozine
State Court Administrator

NC:jm/24eNC002jm

ec: Chief Justice Meagan A. Flynn
John Borden, Principal Legislative Fiscal Officer, LFO
Zachary Gehringer, Policy and Budget, DAS-CFO
David Moon, Director of BFSD, OJD

Clackamas County Replacement Courthouse Project

2024 Legislative Session



Clackamas County supports Oregon Judicial Department's request to increase bonding authority by \$21 million for the Clackamas County Courthouse. This funding will conclude the target amount for meeting the state's cost share program for courthouse replacement projects.

Clackamas County appreciates the partnership with the State Legislature and Oregon Judicial Department to advance the Courthouse Replacement Project. The state's 2021 investment of \$94.5 million in OCCIF, along with a county match, was required to take the project to bid and initiate construction. In 2023, the State Legislature authorized an additional \$30 million. This leaves up to \$21 million remaining for state funding to complete the financing of the Clackamas County Replacement Project.

The project currently remains on track to be completed on time and on budget, and is expected to be open to the public in 2025. Clackamas County will pay for its share of the courthouse obligation by means of the county general fund over 30 years. This is made possible through a series of financial adjustments to county operations and upcoming expirations of debt from other existing county commitments.



The Current Courthouse is No Longer Adequate to Meet our Needs



Earthquake Risks

A 2015 seismic evaluation found the existing courthouse has numerous structural deficiencies. Soil tests indicate the ground under the building could liquefy during an earthquake. The courthouse is currently three feet from the Willamette River and cannot be seismically retrofitted or modified to modern standards.

Safety Concerns

There are significant safety concerns due to failing building systems. Mechanical, electrical and plumbing systems are functionally obsolete and in some cases beyond repair.

Security Challenges

A capacity shortage in the current courthouse highlights the need for separate building 'circulation zones.' The current courthouse lacks separate paths for victims, witnesses, and prisoners/defendants. Jurors have no sequestration room on site, increasing the risk of improper communications.

Delays in Justice

With the current courthouse, the gap between space availability and judicial needs leads to delays in justice. The existing courthouse cannot handle the demands of our population, which has led to delays in trials and incarcerations, and affected child support hearings and civil litigation trials.

A Community of Support

Local and statewide stakeholders support this project, including:



Learn more and sign up for updates at www.clackamas.us/courthouse
Contact: Trent Wilson twilson2@clackamas.us