



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

April 18, 2025

The Honorable Senator Fred Girod, Co-Chair
The Honorable Representative Rob Nosse, Co-Chair
Joint Committee on Ways and Means Subcommittee on Capital Construction
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301

RE: SB 5505 Bonding Authorization for County Courthouse Replacement Projects

Dear Co-Chairpersons:

The Oregon Judicial Department (OJD) respectfully requests \$175.35 million in bonding authorization to replace unsafe courthouses in Hood River, Morrow, and Umatilla counties. These projects are included in the 2025-27 Chief Justice's Recommended Budget. The completion of these projects will provide safe environments for court users and staff 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 the state-supported portions 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). The state typically does not pay for 50 percent of the total project costs because the entire project generally includes some space not used by the state. For example, space in the courthouse for county offices and the furnishings for those spaces are not shared by the state.

The state pays 50 percent of the allowable project costs only if the new courthouse provides space for a co-located state agency. If co-location is not included, then the allowable match may not exceed 25 percent of project costs for the court space.

Three courthouses have been completed through the OCCCIF, with the fourth and fifth now completely funded and under construction. 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 separate biennia. Total state bonding for the project included \$125 million in matching funds 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 funded through the OCCCIF program. This 1909 building ranked 40th (out of 48) in the 2008 Oregon Court Facilities Assessment. The county designed a multi-purpose, multi-agency justice center that opened September 27, 2024. The total state contribution was \$16.5 million in matching funds.

The Clackamas County Courthouse is the fourth project to be funded through the OCCCIF program. The new courthouse facility is scheduled to have its grand opening celebration on May 3rd. The building is on the county's Red Soils campus and will provide a seismically safe building, allow sufficient space for court operations, and consolidate jury assembly spaces and district attorney offices into one building. The legislature has authorized a total of \$141.2 million

for planning and construction of this project. The county is using a public-private partnership approach that may serve as an example of another financing option for counties.

OJD is now requesting authorization of \$175.35 million in bonding authority during the 2025-27 biennium for courthouse replacement projects in Hood River, Morrow, and Umatilla counties.

Hood River County Courthouse

The Hood River County courthouse was built in 1954 and ranked 46th (third worst) in the Oregon Court Facilities Assessment. In addition to being seismically vulnerable, its outdated design and inconvenient space utilization create security issues for judges, staff, victims, witnesses, and the public. Details regarding the site and co-location with state agencies have yet to be decided. Hood River was recommended as a priority by the Association of Oregon Counties in 2015-17 and again in 2017-19. A request was made again in 2023, and the Legislature appropriated \$42,549 in ARPA planning funds. The county has now indicated that the state's share of construction funding would total \$85.8 million in state bonds.

Morrow County Courthouse

The Morrow County courthouse is a three-story building (including a basement) constructed in 1902. The building retains much of its original historic detail and character, but has not been seismically reinforced, and is ranked 43rd in terms of overall rating out of the 48 facilities (sixth worst). 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 2023 Legislature authorized \$12.7 million of state bonds, and we are now requesting a final authorization of \$2.55 million.

Umatilla County Courthouse

The Umatilla County courthouse is a 1954 building with four stories located on a full-block, flat, urban site in downtown Pendleton. The courthouse is ranked 25th in terms of overall rating out of the 48 facilities. Based on plan drawings the courthouse is likely to suffer severe structural and non-structural damage in an earthquake. The county is proposing a four-story structure of approximately 114,000 square feet adjacent to the existing Umatilla County jail within the Pendleton city limits. This project is estimated to cost more than \$200 million. The 2023 Legislature appropriated \$100,000 in ARPA planning funds. We are now requesting authorization of \$87.0 million in bonding authority to pay construction costs.

Thank you for your consideration. For additional information, please contact David Moon, Business and Fiscal Services Director, at (503) 986-5150.

cc: John Borden, Legislative Fiscal Analyst