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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF CROOK

CROOK COUNTY, a political subdivision of
the State of Oregon,

Plaintiff,

v.

OREGON DEPARTMENT OF
ADMINISTRATIVE SERVICES, OREGON
JUDICIAL DEPARTMENT AND THE
STATE OF OREGON,

Defendant.

Case No. 23CV40128

COMPLAINT
(Declaratory Judgment)

NOT SUBJECT TO MANDATORY
ARBITRATION

ORS 20.140 – County Filing Fee Not Required

Plaintiff Crook County (“the County”) alleges as follows:

INTRODUCTION

1.

This action relates to ongoing negotiations between Crook County (“the County”) and Defendants relating to the replacement of the Crook County Courthouse (“the Existing Courthouse”) located at 300 NE Third Street, Prineville, Oregon. The Existing Courthouse is owned by the County and partially occupied by the Crook County Circuit Court. The parties desire to replace the Existing Courthouse with a facility presently under construction located at 260 NW 2nd Street, Prineville, Oregon (“the Justice Center”) and create an opportunity for the colocation of other state offices therein. The parties have agreed to an Intergovernmental Agreement for the purpose of expending funds for design of the Justice Center and are in anticipation of other agreements to facilitate construction under the State’s Article XI-Q bond match program (“the State Match Program”) whereby the State matches the County’s

1 construction expenditures for the portions of Justice Center that will be owned or operated by the
2 State (the “State Premises”). The County contemplates entering into a Master Funding
3 agreement, a Phase Funding agreement and a long-term lease with the Defendants for the use and
4 occupancy of the Justice Center pursuant to the State Match Program, which is referenced in
5 Chapter 705 Oregon Laws 2013, as amended by Chapter 121 Oregon Laws 2014. The parties
6 have undertaken negotiations on all of the above agreements, but the discussion relating to the
7 long-term lease resulted in an irreconcilable disagreement as to which of the parties has
8 responsibility for keeping the State Premises in a functional and operative condition, including
9 ongoing maintenance and utility expenses throughout the life of the lease.

10 Plaintiff seeks a declaration that the Defendants are required to bear those expenses
11 throughout the life of the lease and seeks permanent injunctive relief to require the parties to
12 execute a lease or other agreement that requires the Defendants to provide suitable and sufficient
13 courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the
14 court and juries in attendance upon the court and to provide maintenance and utilities for those
15 courtrooms, offices, jury rooms, and other portions of the Justice Center that will comprise the
16 State Premises.

17 JURISDICTION

18 2.

19 This court has jurisdiction because this action is brought in accordance with ORS 28.010
20 to 28.160, Oregon’s Uniform Declaratory Judgments Act, seeking “to afford relief with respect
21 to rights, status and other legal relations” relevant to Plaintiff and the Defendants.
22

23 VENUE

24 3.

25 Venue is appropriate in Crook County because the Justice Center, which is the subject of
26 the dispute, is located in Crook County and is therefore the county where the cause of suit

1 against a department of the State or some part thereof arose. ORS 14.060.

2 **PARTIES**

3 4.

4 Plaintiff Crook County is a political subdivision of the State of Oregon, empowered by
5 ORS 203.010 to undertake necessary acts in relation to the property and concerns of the County.

6 Defendants are state departments and the State of Oregon.

7 **ALLEGATIONS**

8 5.

9
10 For a great many years, ORS 1.185 assigned to counties the responsibility to maintain
11 suitable and sufficient facilities for the state courts and outlined the parties' responsibilities as
12 follows:

13 **1.185 County to provide courtrooms, offices and jury**
14 **rooms.** (1) The county in which a circuit court is located or holds
court shall:

15 (6) Provide suitable and sufficient courtrooms, offices and jury rooms for the
16 court, the judges, other officers and employees of the court and juries in
attendance upon the court, and provide maintenance and utilities for those
17 courtrooms, offices and jury rooms.

18 (b) Pay expenses of the court in the county other than those
expenses required by law to be paid by the state.

19 (2) Except as provided in subsection (1) of this section, all
20 supplies, materials, equipment and other property necessary for the
operation of the circuit courts shall be provided by the state under
21 ORS 1.187. [Formerly 1.165]

22 6.

23 By 2013 it became apparent that, by and large, counties no longer had the wherewithal to
24 finance new replacement courthouses. As then Representative Chris Garrett (now Supreme
25 Court Justice Garrett) observed:

1 “Decades ago, Oregon adopted a unified court system which
2 meant, among other things, the state and the counties struck a
3 bargain where the circuit court operations would be handled and
4 paid for by the state, while facilities were the main responsibility
5 of the counties. Now this deal was struck before Measures 5 and
6 50 fundamentally changed the fiscal landscape for local
7 governments in Oregon. With a 3% annual cap on the growth of
8 counties’ primary revenue source, the property tax, and costs of
9 services that had dramatically exceeded that cap in many cases.
10 Few if any Oregon counties now have the financial capacity to
11 fund courthouses or any other critical infrastructure.”

12 House Committee on Judiciary, HB3126, March 20, 2013, at 15:15.

13 7.

14 The State’s response was the State Match Program, which permitted the use of Article
15 XI-Q bond proceeds to match construction costs expended by the counties for the State’s portion
16 of the new facilities. The program was established by way of Chapter 705, Oregon Laws
17 2013. Several of its provisions were clarified the following year by way of Chapter 121, Oregon
18 Laws 2014. In particular, Section 9 of the law now states:

19 (1)(a) ***Notwithstanding ORS 1.185***, a county and the state, acting
20 by and through the Oregon Department of Administrative Services
21 on behalf of the Judicial Department, may enter into interim
22 agreements that provide for the funding, acquisition, development
23 and construction of a courthouse ***and require the parties to
24 negotiate in good faith and execute a long-term lease agreement
25 or a long-term intergovernmental agreement*** with respect to the
26 ownership or operation of a courthouse or portions of a courthouse
that the county is required to provide under ORS 1.185, ***pursuant
to which the state agrees to provide the property and services
described in ORS 1.185(1)(a).***”

[emphasis added].

8.

Plaintiff and Defendants have determined that the Justice Center should house the Court
and its operations.

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9.

On February 8, 2023, the County made its position clear to Defendants: the Defendants would be responsible for providing the property and services referenced in ORS 1.185(1)(a). See memo attached as Exhibit 1

10.

On April 21, 2023, the Defendants shared their formal response, disagreeing with the County’s interpretation of the relevant provisions of the law. See Exhibit 2.

11.

On August 23, 2023, the County shared with Defendants the contents of a memorandum outlining the County’s position with respect to the delegation of responsibility for operating expenses of the Justice Center, including courthouse security and equipment and utilities and maintenance. See Exhibit 3.

12.

On September 21, 2023, Defendants informed the County that the parties were essentially at loggerheads and that “[t]he issues *** are dependent on the legal interpretation of the statutory responsibilities and obligations” of the parties. See Exhibit 4.

CAUSE OF ACTION

DECLARATORY JUDGMENT

13.

Plaintiffs reallege and incorporate the allegations contained in Paragraphs 1-12.

14.

Pursuant to ORS 28.010 to 28.160, Plaintiffs are persons “whose rights, status or other legal relations are affected by a * * * statute,” entitling them to “have determined any question of construction or validity arising under such * * * statute * * *.” ORS 28.020. Pursuant to ORS 28.080, “[f]urther relief based on a declaratory judgment may be granted whenever necessary or proper.”

15.

1
2 Plaintiffs are entitled to a declaration that Chapter 705 Oregon Laws 2013, as amended
3 by Chapter 121 Oregon Laws 2014, requires the Defendants to negotiate in good faith and
4 execute a long-term lease agreement or a long-term intergovernmental agreement with respect to
5 the Justice Center pursuant to which the Defendants agree to provide suitable and sufficient
6 courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the
7 court and juries in attendance upon the court and to provide maintenance and utilities for those
8 courtrooms, offices, jury rooms, and all other portions of the Justice Center that will comprise
9 the State Premises.

10 Plaintiffs are also entitled to supplemental injunctive relief and ancillary relief (i)
11 requiring Defendants to comply with the Declaratory relief and (ii) provide for ongoing judicial
12 supervision of the aforementioned good-faith negotiations.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiffs pray for judgment as follows:

15 1. Declare that Chapter 705 Oregon Laws 2013, as amended by Chapter 121 Oregon
16 Laws 2014, requires the Defendants to negotiate in good faith and execute a long-term lease
17 agreement or a long-term intergovernmental agreement with respect to the Justice Center that
18 requires the Defendants to provide suitable and sufficient courtrooms, offices and jury rooms for
19 the court, the judges, other officers and employees of the court and juries in attendance upon the
20 court and to provide maintenance and utilities for those courtrooms, offices, jury rooms, and all
21 other portions of the Justice Center that will comprise the State Premises.

22 2. An injunction that requires Defendants to comply with the Declaratory relief;
23 and

24 3. Provide for ongoing judicial supervision of the aforementioned good-faith
25 negotiations.

26 4. Award Plaintiffs their costs and disbursements incurred herein; and

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MEMO

TO: Commissioner Barney; Reza Alavi

FROM: John Eisler, Asst. County Counsel

DATE: February 8, 2023

RE: Interpreting County/State Security and Maintenance Obligations
Our File No: Ct. Contracts 281(B) (ii)

During a redline review with Reza Alavi, it became apparent that each side interpreted the respective obligations for court security equipment and other expenses differently. The County's opinion is that security equipment and capital improvements are primarily the responsibility of the state, through its State Court Facilities and Security Account. Conversely, OJD interprets the County's obligation to provide "suitable and sufficient" courtroom space as an implication that counties have an obligation to provide a courtroom space with sufficient security equipment. During the conversation, Reza requested that I put my reasoning down on paper so that it will be easier to digest. This memo is the product of that request.

The Text and Statutory Context

The framework for the respective obligations regarding courthouse facilities and security are found in ORS chapter 1.176-89. At the top is the Chief Justice's obligation to create a biennial plan for capital improvements to county courthouses. ORS 1.176(1). The money for these capital improvements is the State Court Facilities and Security Account (SCFSA), which is funded by the Criminal Fine Account. *Id.*

Under ORS 1.178(2), the monies in the SCFSA are limited to the following purposes:

- Developing and implementing the state's ORS 1.177 Plan;
- Court security training;
- Distributions to county CFSAs; and
- Capital improvements for courthouses and court facilities.

The state's 1.177 Plan asks the Chief Justice to adopt state standards and a state plan for the physical security of the judges and their staff, state court security, emergency preparedness, and business continuity for the court facilities used by the OJD. ORS 1.177(1). To put this plan together, the Chief Justice may appoint a Chief Judicial Marshal and other deputy marshals to effectuate the Plan. *Id.* at (2).

Each judicial district may also form an Advisory Committee. ORS 1.180. The purpose of the advisory committee is to finalize a plan to deliver to the Chief Justice. The plan "shall include the capital outlay needs" for capital items such as alarm systems and the physical security of judges and others, as well as which "facilities and equipment" have fallen below appropriate levels. *Id.* at (4)-(5).

Pursuant to the Chief Justice's ORS 1.177 Plan, certain monies are distributed to the counties, to the county treasurer. ORS 1.182. Those monies comprise the county's CFSAs and can only be spent on "developing or implementing a plan for court security improvement, emergency preparedness and business continuity." *Id.* at (1)(b). For the counties, these are supplemental funds to a county's other

funds necessary to provide “court facilities security programs and personnel,” which other funds may not be reduced by the injection of CFSA funds. *Id.* at (1)(c). In fact, a county may not reduce its actual operating expenditure on court facilities security programs and personnel from one year to the next unless the reduction is part of a county-wide reduction across all departments. *Id.* at (2)-(3).

Next is the actual operation of the courthouses. Counties are to provide “suitable and sufficient courtrooms, offices and jury rooms” as well as provide maintenance and utilities for those spaces, as well as absorb the cost for all other court costs than “those expenses required by law to be paid by the state.” ORS 1.185(1). Conversely, the state is to provide “all supplies, materials, equipment and other property necessary for the operation of the circuit courts.” *Id.* at (2). These expenses are to be paid by the state with funds available for the purpose. ORS 1.187.

Analysis

The ambiguous terms employed in these sections cloud the specific obligations of counties and the state when it comes to the safe operation of courthouses. Clearly, counties are responsible for security “programs and personnel.” ORS 1.182. Counties are also obligated to provide “suitable and sufficient” space, and to provide the maintenance and utilities for that space. ORS 1.185. Conversely, the state is clearly responsible for all other supplies, material, and equipment. *Id.* at 1.185(2) and 1.187. The state’s SCFSA is also dedicated to, *inter alia*, capital improvements for courthouses and distributions to county CFSAs to be spent on things like physical security and alarm systems. ORS 1.180.

To me, this comes down to the specific over the general. The terms “programs”¹ and “suitable” and “sufficient” are not defined and are commonly used words. When I read through Webster’s definitions of these terms, there is nothing in there to parse out that would trump legislature’s directly articulated intent with the ORS 1.177 planning process and the SCFSA.

To demonstrate, we need look only at the Master Funding Agreement. The \$250,000 disbursement from the SCFSA is for expenditures on “certain security *equipment*.” That is in-line with the restrictions on the SCFSA expenditures, as that is the purpose of the SCFSA and the State’s security program. It is also in-line with the direct statutory directive that the state is responsible to “provide the supplies, materials, *equipment* and other personal property necessary.” ORS 1.187 (emphasis added).

This makes intuitive sense as well. If purchasing the security equipment were characterized as part of a county’s obligation for “court facilities security programs and personnel” under ORS 1.182, then an expense to equip courtroom facilities in one year would permanently increase the county’s operating budget for all subsequent years under ORS 1.182(2). That can not have been the legislature’s intent when the common-sense interpretation—i.e. “programs” means the plan or protocol and “personnel” means staffing—is so much more workable.

As I read the statutes, counties must provide suitable and sufficient courtrooms by providing enough space in a structure to carry on the obligations of the courts and for the public. It is the counties that must maintain those spaces and provide utilities to those spaces. It is the counties that must staff

¹ I believe use of the word “program” in this context would invoke the definition in the Oregon Constitution at Article XI, section 15, part 15(2)(c): “Program” means a program or project imposed by enactment of the Legislative Assembly or by rule or order of a state agency under which a local government must provide administrative, financial, social, health or other specified *services* to persons, government agencies or to the public generally. (emphasis added)

sufficient security personnel. But it is the state's responsibility to provide the funds to effectuate its ORS 1.177 Plan and to otherwise provide all the equipment and personal property necessary.

Adding Article XI-Q

The analysis above applies to the standard county-state relationship for courthouse operations. I noticed something in my review that I wanted to bring to your attention. Section Nine of chapter 705, Oregon Laws 2013, at subsection (1)(a) clearly states that when a county and the state execute agreements for the funding of courthouse construction through Article XI-Q, that as consideration for the long-term lease agreement, the state must "agree[] to provide the property and services described in ORS 1.185(1)(a)." Discussed at length above, that section covers all the maintenance and utilities for the court facilities. Reading through that section, I do not see any other conclusion than in our lease agreements the state should be the party responsible for any maintenance and utility expenses for the entire OJD Premises throughout the life of the lease.

I know this last part is a significant departure from the current terms of the agreement documents. Please review the provisions above so that we can put our heads together to discuss potential changes to the agreement that will better reflect the legislature's intent.

Dear Mr. Eisler:

This is in response to your memo of February 8, 2023 taking the novel position that, without regard to the plain language of ORS 1.185 that limit state expenses to those required by law, the provision of courthouse “security equipment and capital improvements are primarily the responsibility of the state” because Oregon Judicial Department (OJD) from time to time distributes funds from the Criminal Fine Account allocated to the State Court Facilities and Security Account (SCFSA) for the purposes of court security and capital improvements. You also take the position that section 9 of Chapter 705, Oregon Laws (2013) as amended requires the State to pay for maintenance and utilities in court facilities funded in part by proceeds from the issuance and sale of Article XI-Q bonds. You also summarized what you understand OJD’s position to be under those provisions. This letter clarifies OJD’s position and corrects what we believe to be misunderstandings on the County’s part.

I. Background: The Statutory Bargain

A discussion of some historical and statutory background will be important. In Oregon, by law, counties are obligated to “[p]rovide suitable and sufficient courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the court and juries in attendance upon the court, and provide maintenance and utilities for those courtrooms, offices and jury rooms.” ORS 1.185 (1)(a). Counties are also required to “pay expenses of the court in the county other than those expenses required by law to be paid by the state.” ORS 1.185 (1)(b). When outlining the responsibilities of the State and the county, the statute specifically carves out State’s obligations and requires the county to be responsible for all circuit court expenses not assigned to the State. In doing so, ORS 1.185 (2) limits State’s financial obligations to the categories described under ORS 1.187, which do not, under the plain language of the statute, include providing security or security equipment for the courthouse. Furthermore, under the “suitable and sufficient” standard, it is the court, not the county, that decides the suitability and sufficiency of the court facility. 39 Or. Op. Atty. Gen 693, 1979 WL 35658 (Or.A.G.) (1979).

These statutory provisions modified what had been the counties’ obligation since statehood to bear all costs related to the operation of the county circuit courts and, in part, are the result of a 1981 “Grand Bargain” reached when the State created a unified court system pursuant to which the State agreed to assume from the counties what were becoming the high costs of circuit court staff and indigent defense. In exchange, the counties’ part of the bargain was to continue to provide suitable and sufficient courthouse facilities and security. The county’s obligations under these statutes remains unchanged today. In effect, the argument in your letter would undo this statutory bargain (but without, of course, the counties’ resuming responsibility for court salaries and the public defense system). And your reliance on the fact that the State, from time to time, voluntarily pays some of the costs that under the statutory bargain are the responsibility of counties is like saying a county’s acceptance of federal financial assistance transfers to the Federal Government the county’s responsibilities. In any event, the plain language of the statutes makes clear that the County remains responsible for security and court facilities.

II. The County is responsible for providing security for the circuit court as part of its obligation to provide a “suitable and sufficient” facility for the court.

The legislative history of the controlling statutes makes clear that county is responsible for courthouse security. In describing the proposal for state court funding at the time of trial court unification, the Oregon Commission on the Judicial Branch, which developed our current system, excluded “security personnel,” from those “essential components of the judicial branch which must be funded [by the State] and operated to achieve both accountability and relief [for the counties].” See “The Proposal,” 1980 Report of the Oregon Commission on the Judicial Branch, at 28-29. A few years later, in 1983, the Joint Ways and Means Committee added a budget note to OJD’s appropriation bill (1983 HB 5054) clarifying “that courthouse security is still a county responsibility.”

The legislature’s choice to leave the provision of court-related security services as a local responsibility, often performed by the sheriff, makes sense. After all, by law, the circuit courts operate in county-owned courthouses or other facilities owned or leased by the counties to meet their statutory obligations. County sheriffs remain ideally suited to fulfill the public’s need to have courts operate in safe and secure environments. Inherent to the Sheriffs’ duties to provide adequate security for the courthouse is the county’s responsibility to provide the Sheriffs with all the tools and equipment necessary for performing the functions of their job. If the courthouse is not properly retrofitted with appropriate and necessary security equipment, Sheriffs will not be able to provide adequate security of the courthouse.

Additionally, in 1993 the legislature enacted ORS 1.180 and 1.182. ORS 1.180 allows a presiding judge of a circuit court to appoint an “Advisory Committee on Court Security and Emergency Preparedness” (the Committee). The members of the Committee must include the sheriff, district attorney, a member of the local governing body or the member’s representative, the president of the local bar association or the president’s representative, a justice of the peace, the trial court administrator, and a judge. ORS 1.180(2). The Committee meets at the call of the presiding judge to develop and submit to the presiding judge a plan for court security improvement, emergency preparedness and business continuity (the Plan) for “each building containing a court facility in the county” and for their capital outlay needs. ORS 1.180(4). The presiding judge submits the plan to the Chief Justice. ORS 1.180(8). The Plan may also include recommendations regarding a number of issues including emergency alarm systems, physical security for judges, justices of the peace, staff and the public, and procedures for identifying court security personnel. ORS 1.180(4)(c), (d) and (f). Implementation of the plan is carried out by the county with State and county funding.

This statutory structure, that the presiding judge (subject to review by the Chief Justice) must approve the security plan, confirms that the circuit court retains the power to determine the adequacy and parameters of courthouse security. See, Smith v. Washington County, 180 Or. App. 505 (2002) (proper administration of justice requires that courts operate in a safe and secure environment).

However, the presiding judge's discretion to determine what constitutes suitable and sufficient security for the courthouse does not relieve the county from its obligation to bear the expense of courthouse security even when the State has provided additional funding to help the counties meet their obligations. The language of the statutes that effectuate the transfer of State funds to the counties for purposes of court security bear this out. State funding to assist counties implement the security plans' recommendations is provided pursuant to ORS 1.182 which establishes court facilities security accounts maintained by each county treasurer. The court facilities security accounts are funded by distributions from the State Court Facilities and Securities Account (SCFSA) established by ORS 1.178. A county may expend money from the county's court facilities security account for the provision of security of buildings that contain the circuit court but only when the expenditures relate to the development or implementation of a Plan. ORS 1.182(1)(a) and (b). The funds in a county's court facilities security account are intended to *supplement*, not replace, other funds spent by the county for court facilities securities program and personnel. ORS 1.182(1)(c). In fact, the statute prohibits a county from reducing other expenditures on court facilities security programs and personnel because of the distributions it receives pursuant to ORS 1.178. *Id.* A county is also prohibited from reducing its operating expenditures on court facilities security programs and personnel below the level of its expenditures in the preceding fiscal year except that it may reduce those expenditures if "the reduction is in an amount no greater than the average reduction in general fund commitment to all county agencies during the fiscal period." ORS 1.178(2) and (3).

Nothing in ORS 1.177, relied upon by the County, changes this result. The ORS 1.177 security plan recognizes that the courts, after receiving input from local officials, are in the best position to determine the level and type of security that is suitable and sufficient. Thus, when the Chief Justice adopts a security plan, and even if State, in its discretion, elects to contribute financially toward the implementation of that plan, the county is not absolved from its legal obligation to providing security including, but not limited to, proper security equipment for the court.

Nonetheless, the County identifies ORS 1.180 and 1.182 as statutes that it says relieve the County of its responsibilities under the statutory bargain.¹ ORS 1.180 and 1.182 were enacted in 1993. The enactment date is important because the County argues that the term "security programs and personnel" as used in ORS 1.182 limits its security obligation to providing only security services and personnel relying, in part, on the definition of "program" in section 15 of Article XI of the Oregon Constitution. However, Article XI does not apply to 1.182 because on its face it applies only to State laws enacted after 1997.

¹ The county does not explain why, in the thirty years since the enactment of ORS 1.182, the legislature has not repealed or modified the language of ORS 1.185 and 1.187 if, for some reason, the statutory bargain changed.

Former ORS 1.182 included many provisions that remain today although today's version is adjusted to reflect the current funding stream and method of distribution of funds from the SCSFA.² As enacted, it provided:

ORS 1.182 Court facilities security accounts; funding, expenditure. (1) The county treasurer shall deposit moneys received under ORS 137.308 (2) into a court facilities security account maintained by the county treasurer. The following apply to the account:

- (a) The moneys in the account and interest upon the account are reserved for the purpose of providing security in buildings that contain state court facilities located within the county.
- (b) Expenditures by the county governing body from the court facilities security account shall be made only for developing or implementing a state court security improvement plan adopted under ORS 1.180.
- (c) Moneys deposited in the account under ORS 137.308 (2) and expended under the provisions of this section shall be in addition to any other moneys expended by the county on court facilities security programs and personnel. A county shall not reduce other expenditures on court facilities security programs and personnel by reason of the additional moneys provided under ORS 137.308

(2) Except as otherwise provided in subsection (3) of this section, a county may not reduce its actual operating expenditures on court facilities security programs and personnel, including funds from all local sources, exclusive of state and federal funds and other short term special funding, below the level of such expenditures in the preceding fiscal year beginning with the 1992 -1993 fiscal year.

(3) A county may reduce the operating expenditures described in subsection (2) of this section if the reduction is in an amount no greater than the average reduction in general fund commitment to all county agencies during the fiscal period. [1993 c.637 s. 16]³

² Beginning in 2011, as part of changing the structure of court filing fees and court-imposed financial obligations for offenses, the legislature authorized the allocation of funds from the Criminal Fines Account to be administered by the Oregon Judicial Department through its SCFSA for the purposes identified in ORS 1.178(2)(a)-(d).

³ORS 1.182 (2021) is the same in all material respects:

1.182 Court facilities security accounts; funding; expenditures; reports. (1) The county treasurer shall deposit moneys received from distributions under ORS

As today, pre-1997 *former* ORS 1.182 limited the county's ability to expend money from its Court Facilities Security Account (CFSA) to developing or implementing a plan developed

1.178 into a court facilities security account maintained by the county treasurer. The following apply to the account:

(a) The moneys in the account and interest upon the account are reserved for the purpose of providing security in buildings that contain state court or justice court facilities other than the Supreme Court, Court of Appeals, Oregon Tax Court or office of the State Court Administrator located within the county.

(b) Expenditures by the county governing body from the court facilities security account shall be made only for developing or implementing a plan for court security improvement, emergency preparedness and business continuity under ORS 1.180.

(c) Moneys deposited in the account from distributions under ORS 1.178 and expended under the provisions of this section shall be in addition to any other moneys expended by the county on court facilities security programs and personnel. A county shall not reduce other expenditures on court facilities security programs and personnel by reason of the additional moneys provided from distributions under ORS 1.178.

(d) The county treasurer may charge against the court facilities security account an administrative fee for the actual costs associated with maintaining the account. The total administrative fees charged each year may not exceed five percent of the moneys received from distributions under ORS 1.178 for that year.

(e) The county treasurer shall provide to the county governing body, the Advisory Committee on Court Security and Emergency Preparedness and the presiding judge of the judicial district at least quarterly a financial report showing all revenues, deposits and expenditures from the court facilities security account maintained by the county treasurer. The county treasurer may charge against the court facilities security account the actual costs associated with providing financial reports under this paragraph.

(f) The presiding judge of the judicial district shall provide to the Chief Justice of the Supreme Court a financial report showing all revenues, deposits and expenditures from the court facilities security account for each fiscal year. The report shall be submitted to the Chief Justice not later than August 30 of each year.

(2) Except as otherwise provided in subsection (3) of this section, a county may not reduce its actual operating expenditures on court facilities security programs and personnel, including funds from all local sources, exclusive of state and federal funds and other short term special funding, below the level of such expenditures in the preceding fiscal year beginning with the 1992-1993 fiscal year.

(3) A county may reduce the operating expenditures described in subsection (2) of this section if the reduction is in an amount no greater than the average reduction in general fund commitment to all county agencies during the fiscal period. [1993 c.637 §16; 2005 c.804 §2; 2011 c.597 §60]

pursuant to ORS 1.180 for court security co-authored by and shared with those with the greatest interest in maintaining safe and secure court facilities.

The County also argues that the term “equipment” as used in ORS 1.185 and 1.187 encompasses a State obligation to provide security equipment. Equipment often is, and remains, a type of personal property. However, when equipment is affixed or annexed to real property, it often becomes a “fixture” thus losing its status as personal property. As previously stated, the county retained the obligation to provide all aspects of court security as part of its obligation to provide suitable and sufficient court facilities. Also, most of the security features of courthouses are built-in fixtures, not equipment (personal property). For example, keypad entry and security camera systems are hardwired into the building. In 2017, the Attorney General, in looking at the issues of county-fixture versus court equipment and the responsibilities of the parties explained that:

Common law analyzes the distinction between personal property and fixtures by looking to the degree of annexation, the nature of adaptation, and intention; this analysis includes determining whether the nature of the article is permanent or temporary, whether its attachment is firm or slight, and whether the article was an appropriate and ordinary adjunct to the building based on the custom of the time and place. *Marsh v. Boring Furs, Inc.*, 275 Or 579, 582–83 (1976). This tends to be a fact-intensive analysis. *Helms v. Gilroy*, 20 Or 517, 522 (1891) (“The line between personal property and fixtures is often so close and so nicely drawn that no precise rule has or can be laid down to control in all cases. Each case must depend largely on its own particular facts.”).

Electric wiring and other in-wall wiring are generally considered to be fixtures See 35A *Am Jur 2d Fixtures* § 87 (2017); see also *In re Ryerson*, 519 BR 275, 285 (Bankr D Idaho 2014) (in-wall wiring and infrastructure of a sound system considered a fixture); *Metropolitan Cablevision, Inc. v. Cox Cable Cleveland Area*, 78 Ohio App 3d 273, 277–78 (1992) (cable wiring considered a fixture); *Morse Signal Devices of Cal., Inc. v. County of Los Angeles*, 161Cal App 3d 570, 578–79 (1984) (foundational wiring in security system considered a fixture); *Bylund v. Dep’t of Revenue*, 9 OTR 76, 82–83 (1981) (cable wiring considered a fixture); *Davidson v. Ginsberg*, 190 Iowa 1327 (1927) (electric wiring considered a fixture).⁴

The County also suggests that because OJD is authorized pursuant to ORS 1.178 to make expenditures from the SCFSA for capital improvements for courthouses, the State has positioned itself to take on the county’s obligation to make security related capital improvements to properties owned by the county. However, neither ORS 1.178 or any of the other statutes under discussion, authorize the State, through OJD, to modify the county’s real property, as opposed to

⁴ December 6, 2017 Memo from Noah Ellenberg, AAG, Chief’s Counsel’s Office to Kingsley W. Click, State Court Administrator.

simply passing through legislatively provided funding for projects that the county and State agree will assist the county fulfill its obligations.

In summary, nothing relevant has changed since the time of the 1981 statutory bargain. The County remains responsible for courthouse security, including security equipment.

III. The County is not relieved of its obligation to provide the court maintenance and utilities during the term of a long-term lease or long-term intergovernmental.

As discussed earlier, Oregon law requires counties to provide, at county's expense, among other things, maintenance and utilities for courtrooms, offices, and jury rooms. See ORS. 1.185(1)(a). This element of the statutory bargain is expressed in language that is plain and unambiguous and has been understood to be so by the State and by Oregon counties for 40 years.

Nonetheless, the County argues that these statutory provisions are overridden by other laws that allegedly obligate State to enter into an agreement with the county and to contractually relieve county of its statutory responsibilities. County states: "Section Nine of chapter 705, Oregon Laws 2013, at subsection (1)(a) clearly states that when a county and the State execute agreements for the funding of courthouse construction through Article XI-Q, that as consideration for the long-term lease agreement, the state *must* "agree[]" to provide the property and services described in ORS 1.185(1)(a)."

Thus, the County makes an error interpreting the statute. Setting aside for a moment the type of agreements to which that language applies. The law states that the State "may" enter into an agreement with the county to take over some of county's responsibilities. The word "may" does not create a mandate for the State, it simply provides State the authority and discretion needed to make exceptions under circumstances to the statutory requirements. May, on the one hand, and "must" or "shall" are different terms with different meanings and must be construed accordingly. "May" is permissive, not obligatory. As enacted, Section Nine of chapter 705, Oregon Laws 2013, at subsection (1)(a) stated:

Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, *may* enter into a lease agreement or an intergovernmental agreement with respect to a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property and services described in ORS 1.185 (1)(a). Cite ORS. (Emphasis added).

In any event, the legislature's intent with respect to Section 9(1)(a) was further clarified during the next legislative session as provided in section 7 of chapter 121 of Oregon Laws 2014 which read, as relevant:

SECTION 7. Section 9, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 9. (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the

Judicial Department, may enter into [*a lease agreement or an intergovernmental agreement*] **interim agreements that provide for the funding, acquisition, development and construction of a courthouse and requires the parties to negotiate in good faith and execute a long-term lease agreement or a long-term intergovernmental agreement** with respect to **the ownership or operation** of a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property and services described in ORS 1.185(1)(a).

These legislative changes make it clear that it is through the interim agreements, not long-term leases or long-term intergovernmental agreements, that State, contrary to ORS 1.185, may temporarily provide funding related to new courthouse construction **during construction** and that it is through long-term lease agreements or long-term intergovernmental agreements that provide the State an ownership interest in or authority to operate the facility **once constructed**.

Nothing in the bonding statutes relieves counties of their obligation to provide utilities and maintenance for the suitable and sufficient courthouse facilities they are required to provide to the circuit courts.

Conclusion

We hope that this clarifies the history and purpose of the statutory framework regarding the county's obligation to provide security and security equipment in county-owned courthouses. Please let us know if you have any questions.

Crook County Counsel's Office

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MEMO

TO: Crook County Court; County Administrator
FROM: Crook County Legal Counsel's Office
DATE: August 1, 2023
RE: Article XI-Q Bonds and Ongoing Maintenance/Utility Costs
Our File No.: Ct. Contracts 281(B)(ii)

I was asked by Commissioner Barney and Mr. Parks for a quick overview of the disagreement with the State concerning the Article XI-Q Bond State match program for courthouse funds and the implications for Crook County. Below is a brief summary of the relevant laws, security personnel costs, and facility expenses.

What is at issue is the proper allocation—as directed by the legislature—of costs between the County and State to keep the Justice Center open and operating to serve the public over the next twenty years. The draft agreements provided by the State place all maintenance and utility costs on the County and contemplate no additional security personnel assistance. My interpretation of the operative laws suggests that the State should be treated like a typical commercial tenant and pay the operating costs associated with their own space. The difference between the two interpretations comes to nearly \$14MM over the next twenty years.

1. The Statutory Relationship

Chapter one of the Oregon Revised Statutes delegates the obligations of the State and counties regarding the operation of our circuit court system. Broadly, counties are responsible for providing the physical space, maintenance/janitorial/utilities, and any “expenses of the court ... other than those expenses required by law to be paid by the state.” ORS 1.185(2)(b). A county’s main obligations derive from ORS 1.185:

1.185 County to provide courtrooms, offices and jury rooms.

(1) The county in which a circuit court is located or holds court shall:

(a) Provide *suitable and sufficient* courtrooms, offices and jury rooms for the court, the judges, other officers and employees of the court and juries in attendance upon the court, *and provide maintenance and utilities* for those courtrooms, offices and jury rooms.

(b) Pay expenses of the court in the county other than those expenses required by law to be paid by the state.

(2) Except as provided in subsection (1) of this section, all supplies, materials, equipment and other property necessary for the operation of the circuit courts shall be provided by the state under ORS 1.187.

(emphasis added). Counties thus are to provide “suitable and sufficient” space for the circuit courts, along with the maintenance and utilities for that space. Per (2), all “other property necessary for the operation of the circuit courts” is to be provided by the State under ORS 1.187, which reads:

Except as provided in ORS 1.185 (1) and subject to applicable provisions of a plan established by the Chief Justice of the Supreme Court, the state shall provide the supplies, materials, equipment and other personal property necessary for the operation of the circuit courts. The cost of property provided by the state shall be paid by the state from funds available for the purpose.

The effect of these two provisions together creates specific obligations for both a county and the State, as well as two spillover buckets, similar to a residuary clause in a will. By that I mean, under ORS 1.187, any property not listed in ORS 1.185(1) is to be paid by the State; conversely, under ORS 1.185(1)(b), counties are to pay any “expenses of the court” that the State is not required to pay by law.¹ The chart below further breaks down the main express obligations for the circuit court system in ORS Chapter 1:

Obligation	State	County	Source
Physical space		X	1.185
Janitorial and maintenance		X	1.185
Supplies, materials, equipment	X		1.185
Personal property	X		1.187
Capital improvements	X	X	Art. XI-Q
Security plan & equipment	X		1.178; 1.180
Security programs and personnel		X	1.182

¹ The insertion of “by law” into the State’s residual bucket suggests an examination of the entire statutory scheme is required to ascertain exactly which expenses end up spilling over into the County’s residual bucket. ORS 1.001 (stating “circuit courts[] be funded and operated at a state level”); 1.007 (Judicial Department Revolving Account for “court expenses”); 1.08 (requiring the Chief Justice to plan and budget for the “use and disposition of supplies, materials, equipment and other property provided by the state for the use of the courts of this state.”); ORS 1.009 (Operating Account); 1.012 (State Court Technology Fund); 1.176 (Capital improvement plan); ORS 1.178 (State Court Facilities and Security Account); and 1.182 should all receive close scrutiny to establish everything the State is to pay “by law” before placing it in a county’s residual bucket.

2. The State Match Program

Chapter 705, Oregon Laws 2013 is the mechanism through which the State match program was created (the “Program”). Broadly, the Program allows the State Treasurer to issue Article XI-Q bonds to help pay for the remodel or replacement of a county courthouse found to have significant defects presenting a threat to *human health and safety*. It was introduced as 2013’s HB 3126 (Att. A), a barebones bill that left the OJD to establish the rules to accomplish the purpose of the act. Later in that session it was combined with the bond appropriation bill, SB 5506 (Att. B). This version came with its own standards for the program and removed rulemaking authority from OJD. The bill was enacted and became Chapter 705, Oregon Laws 2013. A year later, SB 5703 added some language to “clarify” the Program and that was enacted as Chapter 121, Oregon Laws 2014 (Att. C).

The disputed provision concerns the agreements needed between the State and a county to receive Art. XI-Q funding. It reads:

Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into interim agreements that provide for the funding, acquisition, development and construction of a courthouse and require the parties to negotiate in good faith and execute a long-term lease agreement or a long-term intergovernmental agreement with respect to the *ownership or operation* of a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, *pursuant to which the state agrees to provide the property and services described in ORS 1.185 (1)(a)*.

(emphasis added). Crook County’s interpretation is that the last clause, “pursuant to which the state agrees to provide the property and services described in ORS 1.185(1)(a),” is referring to the long-term lease agreement. Under such a reading, this provision requires the State, *should* they decide to enter into an interim funding agreement with a county, to execute a long-term lease agreement whereby the State assumes responsibility for the space they “own or operate,” typical of a long-term commercial lease, and provide their own utilities and maintenance.

OJD, on the other hand and as I understand it, interprets the clause to refer only to the interim funding agreement. Under their interpretation, this would mean that the status quo of the standard statutory scheme is only interrupted during the life of the interim agreement—meaning that the State is responsible for the utilities and maintenance of a “courtroom space” while it is nothing more than a construction site.

There is very little legislative history and no case law to help the parties ferret out the legislature’s intent.

3. Why Does the County’s Interpretation Make Practical Sense?

Getting the building constructed is only the beginning. There are significant, ongoing operating expenses associated with running a circuit court facility. As our new Justice Center is almost three times the size of the old Courthouse, increases in operating and security expenses are substantial.

A. Security Program Costs

Crook County, like all Oregon counties, has the obligation to provide court security programs and personnel. ORS 1.182(1). The State provides assistance through the State Court Facilities Security Account, though any such disbursements cannot decrease the amount expended by a county on security programs and personnel. ORS 1.182(1)(c). Additionally, a county may not decrease the operating expenditure amount from the prior fiscal year, exclusive of State or Federal assistance, unless such decrease is equal to or less than the average general reduction to all county agencies during that fiscal year. *Id.* at (2)-(3).

County Administrator Andy Parks developed a memo to address the change in security program and personnel costs for the new Justice Center, attached herein as Att. D (the “Security Memo”). As the Security Memo lays out, the current allocation at the old Courthouse is one dedicated FTE, with an approximate budget of \$140,000 per year. Including backfilling for vacation, training, holidays, etc. as well as transport for escort services, fully loaded, comes to approximately 1.25 FTEs at around \$175,000 per year.²

The security personnel requirements at the new Justice Center are significantly higher. To calculate expected costs, the Security Memo considers the information in a national best practices document as well as the current staffing at several sister counties. The conclusion is that running security as lean as is practical will require 4 FTEs at an annual cost of \$560,000—an increase of \$385,000 per year or a more than threefold increase.

B. Facility Costs

Even more significant than the increase in security program and personnel costs is the increase in costs to operate and maintain the new Justice Center. Capital Projects and Facility Manager prepared several cost projections for the County, attached herein as Attachments E-G.

The estimated cumulative cost over the next twenty years comes to a staggering \$21,149,726. Att. E. When simply allocating said costs on a square foot basis between the County and State’s space (roughly 1/3 to 2/3), \$13,851,293 of that cost is attributable to the circuit court and co-locating agencies’ space. Year One’s costs are modest, as much of the assets’ services are covered under warranty. As shown on Att. F, the total cost for FY 24/25 is just \$515,047, or \$187,108 and \$327,939 between the

² Assistance from the State for security personnel currently does little to alter the County’s expenditure, providing an average of just \$7,200 per year in available funds.

County and State, respectively. But as that warranty discount expires and the assets begin to need replacement, the numbers escalate quickly.³ Asset replacement costs on their own exceed \$300,000 per year for the last handful of years of projection. Att. G. As an example, compare the total costs for FY 43/44, \$1,340,587, versus that of the first year, \$515,047, an increase of \$825,540 or roughly 160%. Att. E.

4. Conclusion

What was the legislature's most likely intent? In an effort to improve public health and safety, did they intend to burden counties, especially rural counties, with such devastating costs to simply provide "suitable and sufficient" courtrooms? A plain reading supports the concept that the State, as "owner or operator" of their new facility be treated as a typical commercial tenant—responsible for the maintenance and upkeep of their own space. A consideration of the impact on the County's budget only strengthens such an interpretation.

Please let me know if you have any questions.

³ Mr. Lilly's projections employ an inflation factor of 2%.

Attachment A

77th OREGON LEGISLATIVE ASSEMBLY--2013 Regular Session

House Bill 3126

Sponsored by Representatives HICKS, WILLIAMSON, GARRETT; Senator THOMSEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes State Treasurer to issue Article XI-Q general obligation bonds to finance construction and improvement of courthouses.

Establishes Oregon Courthouse Capital Construction and Improvement Fund. Appropriates moneys in fund to Judicial Department. Establishes matching grant program for projects financed from moneys in fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to capital projects for courthouses; appropriating money; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) Notwithstanding ORS 286A.818 (1)(b), in addition to and not in lieu of any**
5 **authorization to issue general obligation bonds under ORS 286A.035, in the biennium begin-**
6 **ning July 1, 2013, the State Treasurer may issue Article XI-Q bonds in:**

7 (a) **An amount not to exceed \$_____ million of net proceeds for the purpose specified**
8 **in subsection (3) of this section, plus an amount estimated by the State Treasurer to pay**
9 **estimated bond-related costs; and**

10 (b) **The manner provided by ORS 286A.816 to 286A.826.**

11 (2) **The Judicial Department shall consult with the Oregon Department of Administrative**
12 **Services to determine when net proceeds are needed for the purposes described in subsection**
13 **(3) of this section and regarding the sale of bonds to be issued pursuant to this section.**

14 (3) **The State Treasurer shall deposit \$_____ million in net proceeds of bonds issued**
15 **pursuant to this section in the Oregon Courthouse Capital Construction and Improvement**
16 **Fund established under section 2 of this 2013 Act. The net proceeds and any interest earnings**
17 **may be used solely to finance the construction and improvement of courthouses or portions**
18 **of courthouses that are owned or operated by the State of Oregon.**

19 (4) **As used in ORS 286A.816 to 286A.826 with respect to this section:**

20 (a) **“Project agency” means the Judicial Department.**

21 (b) **“Project fund” means the Oregon Courthouse Capital Construction and Improvement**
22 **Fund.**

23 **SECTION 2. (1) The Oregon Courthouse Capital Construction and Improvement Fund is**
24 **established in the State Treasury, separate and distinct from the General Fund. Interest**
25 **earned on moneys in the Oregon Courthouse Capital Construction and Improvement Fund**
26 **shall be credited to the fund.**

27 (2) **The fund consists of moneys deposited in the fund under section 1 of this 2013 Act,**
28 **and may include fees, revenues and other moneys appropriated by the Legislative Assembly**
29 **for deposit in the fund.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (3) Moneys in the fund are continuously appropriated to the Judicial Department for:

2 (a) The purposes described in section 1 (3) of this 2013 Act;

3 (b) Payment of the costs incurred by the department to administer the fund; and

4 (c) Payment of bond-related costs, as defined in ORS 286A.816.

5 (4) The Judicial Department may transfer moneys from the fund pursuant to subsection
6 (3)(a) of this section solely to match funds in the manner prescribed in section 3 of this 2013
7 Act.

8 **SECTION 3.** (1) The Judicial Department shall establish by rule a matching grant pro-
9 gram to achieve the purposes described in section 1 (3) of this 2013 Act.

10 (2)(a) The matching grant program established pursuant to this section must require an
11 application by the governing body of a county seeking financing for the construction or im-
12 provement of courthouses in the county.

13 (b) The application must include the following information regarding the proposed
14 project:

15 (A) A description of the nature and scope of the project;

16 (B) A description of the courthouse or portions of a courthouse owned or operated by the
17 State of Oregon to be constructed or improved;

18 (C) The estimated total costs;

19 (D) The amount and source of funding to be matched by the department pursuant to
20 subsection (4) of this section if the application is approved;

21 (E) The estimated completion schedule; and

22 (F) Any other information the department considers necessary.

23 (3)(a) The department shall approve or deny an application within 90 days after sub-
24 mission of the application by the governing body.

25 (b) The department may require changes to an application before making a final decision
26 to approve or deny the application.

27 (4) A grant awarded pursuant to the program may not exceed 50 percent of the estimated
28 total costs of the project as stated in the version of the application that is approved.

29 **SECTION 4.** This 2013 Act being necessary for the immediate preservation of the public
30 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
31 on its passage.

32

CHAPTER 705

AN ACT

SB 5506

Relating to state financial administration; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of this state during the 2013-2015 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Oregon University System (Art. XI-G):	
(a) Oregon State University:	
(A) Strand Agricultural Hall deferred maintenance	\$ 6,586,000
(B) Biofuels Demonstration Project	\$ 4,000,000
(C) Classroom Building and Quad	\$ 32,500,000
(D) Cascades Campus Expansion	\$ 4,000,000
(E) Chemistry, Biology and Environmental Engineering Building.....	\$ 20,000,000
(b) Portland State University:	
(A) School of Business	\$ 10,000,000
(B) Stott Center renovations and deferred maintenance	\$ 20,000,000
(c) University of Oregon:	
(A) Straub and Earl Halls classroom expansion	\$ 11,000,000
(B) Science Commons and Research Library	\$ 8,375,000
(d) Western Oregon University New College of Education Facility	\$ 1,400,000
(2) Department of Community Colleges and Workforce Development (Art. XI-G)	\$ 125,081,600
(3) Department of Environmental Quality (Art. XI-H)	\$ 10,000,000
(4) Oregon Business Development Department (Art. XI-M)	\$ 15,000,000
(5) Oregon Business Development Department (Art. XI-N)	\$ 15,000,000
(6) Oregon Department of Administrative Services (Art. XI-Q).....	\$ 426,052,000
Dedicated Fund Obligations	
(7) Department of Transportation (Art. XI, section 7)	\$ 453,725,000
(8) Department of Veterans' Affairs (Art. XI-A)	\$ 60,000,000
(9) Oregon University System (Art. XI-F(1)):	
(a) Systemwide:	
(A) Capital renewal, code compliance and safety.....	\$ 3,300,000
(B) Commercial paper	\$ 15,000,000
(C) Student building fee projects	\$ 20,000,000
(b) Oregon Institute of Technology In Focus Building acquisition	\$ 10,000,000
(c) Oregon State University:	

(A) Student Experience Center...	\$ 42,700,000
(B) New student residence hall...	\$ 19,000,000
(C) Memorial Union East Wing renovation	\$ 9,177,500
(D) Cascades campus expansion..	\$ 4,000,000
(E) Housing and dining facility upgrades.....	\$ 9,500,000
(d) Portland State University:	
(A) Stott Center renovations and deferred maintenance	\$ 2,000,000
(B) Land acquisition.....	\$ 10,000,000
(e) Southern Oregon University:	
(A) Cascade Hall replacement.....	\$ 7,000,000
(B) Student Recreation and Fitness Center	\$ 20,000,000
(f) University of Oregon:	
(A) Erb Memorial Union	\$ 84,300,000
(B) Student Recreation Center expansion and renovation.....	\$ 50,250,000
(C) Housing expansion	\$ 84,750,000
(10) Water Resources Department (Art. XI-I(1))	\$ 10,235,000
(11) Housing and Community Services Department (Art. XI-I(2))	\$ 25,000,000
(12) State Department of Energy (Art. XI-J).....	\$ 60,000,000
Total General Obligation Bonds	\$ 1,708,932,100

SECTION 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of this state during the 2013-2015 biennium are as follows:

REVENUE BONDS

Direct Revenue Bonds

Housing and Community Services Department.....	\$ 150,000,000
Department of Transportation, Oregon Transportation Infrastructure Fund.....	\$ 20,400,000
Highway User Tax Bonds.....	\$ 846,690,000
Toll-backed Revenue Bonds ..	\$ 663,000,000
Oregon Business Development Department.....	\$ 35,000,000
Oregon Department of Administrative Services lottery revenue bonds.....	\$ 157,557,715
State Department of Energy	\$ 20,000,000
Oregon University System....	\$ 50,000,000
Total Direct Revenue Bonds	\$ 1,942,647,715

Pass-Through Revenue Bonds

Oregon Business Development Department industrial development bonds.....	\$ 65,000,000
Oregon Facilities Authority..	\$ 450,000,000
Housing and Community Services Department.....	\$ 150,000,000
Total Pass-Through Revenue Bonds	\$ 665,000,000
Total Revenue Bonds	\$ 2,607,647,715

SECTION 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of this state during the 2013-2015 bi-

ennium for the Oregon Department of Administrative Services is \$40,000,000.

SECTION 4. The amounts allocated for private activity bonds, as provided in ORS 286A.615, are as follows:

- (1) For calendar year 2014, the amount of \$370,438,535 is allocated as follows:
 - (a) Oregon Business Development Department \$ 40,000,000
 - (b) Housing and Community Services Department..... \$ 125,000,000
 - (c) State Department of Energy \$ 10,000,000
 - (d) Private Activity Bond Committee..... \$ 195,438,535
- (2) For calendar year 2015, the amount of \$370,438,535 is allocated as follows:
 - (a) Oregon Business Development Department \$ 40,000,000
 - (b) Housing and Community Services Department..... \$ 125,000,000
 - (c) State Department of Energy \$ 10,000,000
 - (d) Private Activity Bond Committee..... \$ 195,438,535
- (3) If an increase in the state's population, a sufficient increase in the region's Consumer Price Index or a change in federal law allows the private activity bond limit as set by the Internal Revenue Code of 1986, as amended, to exceed \$370,438,535 during the 2014 calendar year or \$370,438,535 during the 2015 calendar year, the increase is allocated to the Private Activity Bond Committee.

SECTION 5. (1) For purposes of Article XI-F(1), section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (9) of this 2013 Act with bonds issued under Article XI-F(1) of the Oregon Constitution, will benefit higher education institutions or activities.

(2) For purposes of Article XI-G, section 1, of the Oregon Constitution, the Legislative Assembly determines that the projects authorized to be financed pursuant to section 1 (1) and (2) of this 2013 Act with bonds issued under Article XI-G of the Oregon Constitution, will benefit higher education institutions or activities or community colleges authorized by law to receive state aid.

SECTION 6. Bonds authorized under section 1 (1) and (2) of this 2013 Act may not be issued until the constructing authority certifies to the State Treasurer that the constructing authority has matching funds available for the same or similar purposes as the Article XI-G bonds that will fund the grant or loan to the constructing authority, that the match funds are not proceeds of indebtedness incurred by the state under any article of the Oregon Constitution, and

that the match funds are available to the constructing authority in an amount at least equal to the amount of Article XI-G bond proceeds that the constructing authority will receive.

SECTION 7. (1) The Department of Transportation may not request and the State Treasurer may not issue any bonds for the Interstate 5 Bridge Replacement Project until the conditions set forth in section 3 (4), chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800), have been satisfied.

(2) In lieu of the general obligation bonds authorized for the Department of Transportation under section 1 (7) of this 2013 Act, the State Treasurer may issue up to \$453,725,000 of revenue bonds as provided in chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800). The amount of bonds authorized under section 1 (7) of this 2013 Act for the Department of Transportation shall be reduced, and the amount of bonds authorized under section 2 of this 2013 Act for the Department of Transportation shall be increased, by the amount of any revenue bonds issued in lieu of the general obligation bonds authorized under section 1 (7) of this 2013 Act.

SECTION 8. (1) Out of the amount specified in section 1 (6) of this 2013 Act, the State Treasurer may issue Article XI-Q bonds in an amount not to exceed \$15 million of net proceeds for the purposes specified in subsection (3) of this section, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2)(a) Bonds may not be issued pursuant to this section unless:

(A) The Chief Justice of the Supreme Court has determined that:

(i) The courthouse with respect to which the bonds will be issued has significant structural defects, including seismic defects, that present actual or potential threats to human health and safety;

(ii) Replacing the courthouse, whether by acquiring and remodeling or repairing an existing building or by constructing a new building, is more cost-effective than remodeling or repairing the courthouse; and

(iii) Replacing the courthouse creates an opportunity for colocation of the court with other public offices; and

(B) The Oregon Department of Administrative Services has approved the project for which the bonds will be issued.

(b) The Oregon Department of Administrative Services, after consultation with the Judicial Department, shall determine when net proceeds are needed for the purposes described in subsection (3) of this section and shall consult with the Judicial Department regarding the sale of bonds to be issued pursuant to this section.

(3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section in the Oregon Courthouse Capital Construction and Improvement Fund. The net proceeds and any interest earnings may be used solely to finance costs related to acquiring, constructing, remodeling, repairing, equipping or furnishing courthouses or portions of courthouses that are owned or operated by the State of Oregon.

(4) As used in ORS 286A.816 to 286A.826 with respect to this section:

(a) "Project agency" means the Judicial Department.

(b) "Project fund" means the Oregon Courthouse Capital Construction and Improvement Fund.

SECTION 9. (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into a lease agreement or an intergovernmental agreement with respect to a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property and services described in ORS 1.185 (1)(a).

(b)(A) An agreement entered into pursuant to this subsection may include a requirement that the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an amount not less than 50 percent of the total estimated costs of a project funded with bonds issued pursuant to section 8 of this 2013 Act with respect to the courthouse or portions of a courthouse that are the subject of the agreement. The amount transferred by a county pursuant to this paragraph may comprise property tax revenues, bond proceeds or any other county moneys singly or in any combination and proportion.

(B) The amount required to be transferred by the county under this subsection may not be less than 75 percent of the total estimated costs unless the project includes colocation of state facilities in the courthouse.

(2) For purposes of section 8 of this 2013 Act, the state shall be considered to operate a courthouse or portions of a courthouse that are the subject of an agreement entered into pursuant to subsection (1) of this section if, as applicable:

(a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights to control and use the courthouse or portions of the courthouse that are typical of a long-term lease, for a term that is at least equal to the term during which the bonds issued pursuant to section 8 of this 2013 Act will remain outstanding.

(b) The intergovernmental agreement grants the state the exclusive right to control and use

the courthouse or portions of the courthouse for a term that is at least equal to the term during which the bonds issued pursuant to section 8 of this 2013 Act will remain outstanding.

SECTION 10. Notwithstanding any provision of law:

(1) General obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects must be issued not later than June 30, 2015. Project approvals for general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution prior to January 1, 2013, for community college projects, expire on June 30, 2015.

(2) A community college may not have more than one project approved for funding with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution that is awaiting matching funds, other than projects approved prior to January 1, 2013.

(3) A community college for which a project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution is approved in this 2013 Act may not request approval of an additional project to be funded with general obligation bonds authorized to be issued under Article XI-G of the Oregon Constitution until the beginning of the regular session of the Legislative Assembly held in 2017, unless the community college withdraws the project approved under this 2013 Act.

(4) For biennia beginning on or after July 1, 2015, the aggregate amount authorized for issuance of general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$8 million.

SECTION 11. Notwithstanding section 9, chapter 786, Oregon Laws 2013 (Enrolled Senate Bill 5533), the State Treasurer may not issue the lottery bonds authorized by section 9, chapter 786, Oregon Laws 2013 (Enrolled Senate Bill 5533), unless the following conditions are met no later than March 31, 2015:

(1) The Governor's office has approved a finance and development plan to help prepare the site of the Willamette Falls Legacy Project for a public access project;

(2) A local or regional public sponsor of the project has secured a property interest in, or option on, a riverfront portion of the property that was formerly the site of the Blue Heron paper mill; and

(3) A local or regional public sponsor of the project has requested that the State Parks and Recreation Department participate in the planning, development and potential future operation of any public access project on the site to ensure that the statewide significance of Wil-

lamette Falls is recognized and interpreted and that the falls are accessible to the public.

SECTION 12. (1) Notwithstanding any other provision of law, the State Treasurer may not issue any bond to finance the Oregon Convention Center hotel project unless the following conditions are met no later than March 31, 2015:

(a) An intergovernmental agreement has been signed to dedicate site-specific local transient lodging taxes from the Oregon Convention Center hotel to support debt service on bonds for hotel construction;

(b) An agreement has been signed by Metro and a private developer for development of the Oregon Convention Center hotel; and

(c) The amount of state bond proceeds used to finance the project is estimated in public documents to be less than 5 percent of total project cost.

(2) As used in this section, "Metro" means the metropolitan service district organized under ORS chapter 268.

SECTION 13. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect July 1, 2013.

Approved by the Governor July 29, 2013

Filed in the office of Secretary of State July 30, 2013

Effective date July 29, 2013

CHAPTER 121

AN ACT

SB 5703

Relating to state financial administration; creating new provisions; amending ORS 351.374, 352.113 and 352.138 and section 4, chapter 609, Oregon Laws 2009, sections 1, 2, 3, 8 and 9, chapter 705, Oregon Laws 2013, and sections 8 and 20, chapter 786, Oregon Laws 2013; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 8, chapter 786, Oregon Laws 2013, is amended to read:

Sec. 8. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with the State Department of Energy, the State Treasurer *[is authorized to]* **may** issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount *[that produces \$5]* **not to exceed \$10** million in net proceeds *[and interest earnings]* for the purposes described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section and interest earnings must be transferred to the State Department of Energy in an amount sufficient to provide *[\$5]* **\$10** million in net proceeds and interest earnings for deposit in the *[Clean Energy Deployment Fund established in ORS 470.800 for the purposes described in ORS 470.810.]* **Jobs, Energy and Schools Fund established in ORS 470.575 to provide a grant to Clean Energy Works Oregon for the purposes described in ORS 470.575.**

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the following findings:

(a) Increasing and promoting energy efficiency in structures and operations statewide increases economic development and energy conservation, and expands opportunities for new and emerging industries in Oregon.

(b) The projects made possible through increased funding of energy efficiency programs creates jobs and furthers economic development.

SECTION 2. Section 20, chapter 786, Oregon Laws 2013, is amended to read:

Sec. 20. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with *[the North Central Education Service District]* **Wheeler County**, the State Treasurer *[is authorized to]* **may** issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount *[that produces]* **not to exceed \$1** million in net proceeds

[and interest earnings] for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established in *[section 23 of this 2013 Act]* **ORS 461.553** for distribution to *[the North Central Education Service District]* **Wheeler County for the Frontier Digital Network** for the purpose of acquiring digital switching equipment needed to improve *[education and]* public safety services in *[the three counties]* **Gilliam, Sherman and Wheeler Counties.**

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that *[education and]* public safety *[are]* **is a necessary [components] component** of a climate that facilitates and encourages economic development.

SECTION 3. Section 1, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of this state during the 2013-2015 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Oregon University System (Art. XI-G):		
(a) Oregon State University:		
(A) Strand Agricultural Hall deferred maintenance	\$	6,586,000
[(B) <i>Biofuels Demonstration</i>] [Project	\$	4,000,000]
[(C) <i>Classroom Building and Quad</i>	\$	32,500,000]
[(D) <i>Cascades Campus Expansion</i>	\$	4,000,000]
(B) Classroom Building and Quad	\$	32,500,000
(C) Cascades Campus Expansion	\$	7,850,000
[(E) <i>Chemistry, Biology and</i> (D) Chemistry, Biology and Environmental Engineering Building	\$	20,000,000
(b) Portland State University:		
(A) School of Business	\$	10,000,000
(B) Stott Center renovations and deferred maintenance	\$	20,000,000
(c) University of Oregon:		
(A) Straub and Earl Halls classroom expansion	\$	11,000,000
(B) Science Commons and Research Library	\$	8,375,000
(d) Western Oregon University New College of Education Facility	\$	1,400,000
(e) Oregon Health and Science University Cancer Institute	\$	161,490,000
(2) Department of Community Colleges and Workforce		

	[Development (Art. XI-G)]	\$ 125,081,600]
	Development (Art. XI-G)	\$ 123,451,600
(3)	Department of Environmental Quality (Art. XI-H)	\$ 10,000,000
(4)	Oregon Business Development Department (Art. XI-M)	\$ 15,000,000
(5)	Oregon Business Development Department (Art. XI-N)	\$ 15,000,000
(6)	Oregon Department of Administrative Services (Art. XI-Q)	\$ 426,052,000]
	Services (Art. XI-Q)	\$ 459,618,100
<u>Dedicated Fund Obligations</u>		
(7)	Department of Transportation (Art. XI, section 7)	\$ 453,725,000
(8)	Department of Veterans' Affairs (Art. XI-A)	\$ 60,000,000
(9)	Oregon University System (Art. XI-F(1)):	
	(a) Systemwide:	
	(A) Capital renewal, code compliance and safety	\$ 3,300,000
	(B) Commercial paper	\$ 15,000,000
	(C) Student building fee projects	\$ 20,000,000
	(b) Oregon Institute of Technology In Focus Building acquisition	\$ 10,000,000
	(c) Oregon State University:	
	(A) Student Experience Center	\$ 42,700,000
	(B) New student residence hall	\$ 19,000,000
	(C) Memorial Union East Wing renovation	\$ 9,177,500
	(D) Cascades campus expansion	\$ 4,000,000
	(E) Housing and dining facility upgrades	\$ 9,500,000
	(d) Portland State University:	
	(A) Stott Center renovations and deferred maintenance	\$ 2,000,000
	(B) Land acquisition	\$ 10,000,000
	(e) Southern Oregon University:	
	(A) Cascade Hall replacement	\$ 7,000,000
	(B) Student Recreation and Fitness Center	\$ 20,000,000
	(f) University of Oregon:	
	(A) Erb Memorial Union	\$ 84,300,000
	(B) Student Recreation Center expansion and renovation	\$ 50,250,000
	(C) Housing expansion	\$ 84,750,000
(10)	Water Resources Department (Art. XI-I(1))	\$ 10,235,000
(11)	Housing and Community Services Department (Art. XI-I(2))	\$ 25,000,000
(12)	State Department of Energy (Art. XI-J)	\$ 60,000,000
<u>Total General Obligation</u>		
	[Bonds	\$ 1,708,932,100]
	Bonds	\$ 1,902,208,200

SECTION 4. Section 2, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 2. The amounts authorized, as provided by ORS 286A.035, for issuance of revenue bonds of this state during the 2013-2015 biennium are as follows:

<u>REVENUE BONDS</u>	
<u>Direct Revenue Bonds</u>	
Housing and Community	

Services Department	\$ 150,000,000
Department of Transportation, Oregon Transportation Infrastructure Fund	\$ 20,400,000
Highway User Tax Bonds	\$ 846,690,000
Toll-backed Revenue Bonds	\$ 663,000,000
Oregon Business Development Department	\$ 35,000,000
Oregon Department of Administrative Services [lottery revenue bonds	\$ 157,557,715]
lottery revenue bonds	\$ 219,717,715
State Department of Energy	\$ 20,000,000
Oregon University System	\$ 50,000,000
<u>Total Direct Revenue</u>	
[Bonds	\$ 1,942,647,715]
Bonds	\$ 2,004,807,715
<u>Pass-Through Revenue Bonds</u>	
Oregon Business Development Department industrial [development bonds	\$ 65,000,000]
[Oregon Facilities Authority development bonds	\$ 450,000,000]
development bonds	\$ 165,000,000
Oregon Business Development Department beginning and expanding farmer loan program	\$ 10,000,000
Oregon Facilities Authority	\$ 950,000,000
Housing and Community Services Department	\$ 150,000,000
<u>Total Pass-Through Revenue</u>	
[Bonds	\$ 665,000,000]
[Total Revenue Bonds	\$ 2,607,647,715]
Bonds	\$ 1,275,000,000
Total Revenue Bonds	\$ 3,279,807,715

SECTION 5. Section 3, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 3. The amount authorized, as provided by ORS 286A.035, for issuance of certificates of participation and other financing agreements of this state during the 2013-2015 biennium for the Oregon Department of Administrative Services is [\$40,000,000] **\$55,600,000.**

SECTION 6. Section 8, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 8. (1) Out of the amount specified in section 1 (6), **chapter 705, Oregon Laws 2013 [of this 2013 Act],** the State Treasurer may issue Article XI-Q bonds in an amount not to exceed [\$15] **\$19 million** of net proceeds for the purposes specified in subsection (3) of this section, plus an amount estimated by the State Treasurer to pay estimated bond-related costs.

(2)(a) Bonds may not be issued pursuant to this section unless:

(A) The Chief Justice of the Supreme Court has determined that:

(i) The courthouse with respect to which the bonds will be issued has significant structural defects, including seismic defects, that present actual or potential threats to human health and safety;

(ii) Replacing the courthouse, whether by acquiring and remodeling or repairing an existing building or by constructing a new building, is more

cost-effective than remodeling or repairing the courthouse; and

(iii) Replacing the courthouse creates an opportunity for colocation of the court with other *[public]* state offices; and

(B) The Oregon Department of Administrative Services has approved the project for which the bonds will be issued.

(b) The Oregon Department of Administrative Services, after consultation with the Judicial Department, shall determine when net proceeds are needed for the purposes described in subsection (3) of this section and shall consult with the Judicial Department regarding the sale of bonds to be issued pursuant to this section.

(3) The State Treasurer shall deposit the net proceeds of bonds issued pursuant to this section in the Oregon Courthouse Capital Construction and Improvement Fund. The net proceeds and any interest earnings may be used solely to finance costs related to acquiring, constructing, remodeling, repairing, equipping or furnishing **land, improvements, courthouses or portions of courthouses that are, or that upon completion of a project funded under this section will be,** owned or operated by the State of Oregon.

(4) As used in ORS 286A.816 to 286A.826 with respect to this section:

(a) "Project agency" means the Judicial Department.

(b) "Project fund" means the Oregon Courthouse Capital Construction and Improvement Fund.

SECTION 7. Section 9, chapter 705, Oregon Laws 2013, is amended to read:

Sec. 9. (1)(a) Notwithstanding ORS 1.185, a county and the state, acting by and through the Oregon Department of Administrative Services on behalf of the Judicial Department, may enter into *[a lease agreement or an intergovernmental agreement]* **interim agreements that provide for the funding, acquisition, development and construction of a courthouse and require the parties to negotiate in good faith and execute a long-term lease agreement or a long-term intergovernmental agreement with respect to the ownership or operation of a courthouse or portions of a courthouse that the county is required to provide under ORS 1.185, pursuant to which the state agrees to provide the property and services described in ORS 1.185 (1)(a).**

(b)(A) An agreement entered into pursuant to this subsection may include a requirement that the county transfer to the Oregon Courthouse Capital Construction and Improvement Fund an amount not less than 50 percent of the total estimated costs of a project funded with bonds issued pursuant to section 8, **chapter 705, Oregon Laws 2013, [of this 2013 Act]** with respect to the courthouse or portions of a courthouse that are the subject of the agreement.

(B) The amount transferred by a county pursuant to this paragraph may comprise, **singly or in any combination and proportion:**

(i) Property tax revenues, bond proceeds or any other county moneys *[singly or in any combination and proportion]*; and

(ii) **A credit equal to the higher of the appraised value or the actual purchase price of land purchased by the county for the courthouse if the state approves of the land as the site for the courthouse.**

[(B)] (C) The amount required to be transferred by the county under this subsection may not be less than 75 percent of the total estimated costs unless the project includes colocation *[of state facilities]* in the courthouse **of state offices in addition to the state circuit court facilities.**

(2) For purposes of section 8, **chapter 705, Oregon Laws 2013 [of this 2013 Act]**, the state shall be considered to operate a courthouse or portions of a courthouse that are the subject of an agreement entered into pursuant to subsection (1) of this section if, as applicable:

(a) The lease agreement conveys to the state a full leasehold interest, including exclusive rights to control and use the courthouse or portions of the courthouse that are typical of a long-term lease, for a term that is at least equal to the term during which the bonds issued pursuant to section 8, **chapter 705, Oregon Laws 2013, [of this 2013 Act]** will remain outstanding.

(b) The intergovernmental agreement grants the state the exclusive right to control and use the courthouse or portions of the courthouse for a term that is at least equal to the term during which the bonds issued pursuant to section 8, **chapter 705, Oregon Laws 2013, [of this 2013 Act]** will remain outstanding.

SECTION 8. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with the Beaverton Community Health Collaborative, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that does not exceed \$1 million in net proceeds for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide \$1 million in net proceeds and interest earnings must be transferred to the department for deposit in the ODAS Economic Development Distributions Fund established in ORS 461.553 for distribution to the Beaverton Community Health Collaborative for the development of a health and wellness facility to deliver medical, dental, mental and public health and wellness services in an interdisciplinary way to low-and

Attachment D

Memo

To: Brian Barney, County Commissioner
John Gautney, Sheriff

cc: Seth Crawford, County Judge
Jerry Brummer, County Commissioner
Christina Haron, Finance Director
Jamie Berg, Budget Analyst
Nick Lilly, Capital Projects/Facilities Manager
Eric Blaine, County Counsel
John Eisler, Assistant County Counsel
Kim Barber, Human Resources Director

From: Andy Parks, Administrator

Date: August 4, 2023

RE: Justice Center Security Staffing

This memo addresses current security staffing and funding, as of fiscal year 2024, for the existing Circuit Court operations and potential security staffing and costs for the Circuit Court in the new Justice Center. To help inform discussions and budget proposals, I reviewed the Steps to Building Best Practices for Court Building Security, written by National Center for State Courts in 2022 (see attachment 1). I also requested Jamie Berger to solicit information on court operations, including security staffing, from similar size counties in Oregon (Clatsop, Hood River, Jefferson, Wasco, Columbia, Tillamook and Union). Please see attachment 2, Findings Court Operations, Similar Size Court Operations, State of Oregon June 2023.

The Best Practices document provides recommendations for staffing in the following areas:

- Command Center
- Escort-in-custody defendants through all non-secure areas and to clear the path ahead of civilians
- In the courtroom when there is an in-custody defendant in the courtroom
- At the main entrance to the court building during business hours
- On every floor that has one or more courtrooms, dedicated as a rover from one courtroom to the next

Presently, the Sheriff's Office provides court security in the Historic Courthouse, which includes two courtrooms, the main courtroom and a small courtroom for traffic or similar matters. Additionally, the Annex facility has a courtroom. There is no security provided in the Annex facility courtroom unless requested and funded by the State. Security staffing consists of a

dedicated Sheriff's Office Deputy for building security and escort services of in-custody defendants to and from the Jail to the court facilities, including staying with the defendant throughout their time away from the Jail. The annual budget of the dedicated security officer is approximately \$140,000 plus incidental materials and supplies. The cost of other personnel is not specifically accounted for, however, a reasonable estimate of fully loaded personnel costs to backfill the dedicated position for vacation, training, sick leave, and holidays is a .25 full-time equivalent (FTE) position, or \$35,000. Total staffing costs for security for the existing operation is approximately \$175,000 for an estimated 1.25 FTEs.

Crook County's present court security staffing is similar in scope and cost as other similar sized circuit court operations in the State of Oregon. Per review of information solicited from seven Oregon county courts there appears to be one county, Clatsop, that provides dedicated security staffing in the courtroom. In all other instances, dedicated courtroom security appears to only be provided when requested due to perceived increased security risk. There does not appear to be any court that provides a rover.

Funding from the state of Oregon for court security appears to be nominal, with a maximum of \$68,000 annually, and an estimated average of \$33,000 annually. Crook County receives approximately \$8,000 per year, however, is limited to use \$7,200 per year.

The new Justice Center is scheduled for completion in June 2024, with court operations anticipated to move in as of the beginning of fiscal year 2025, i.e., July 1, 2024. The new facility includes three court rooms, two on the third floor, and one on the second floor, together with a jury selection room, and a single entrance. The facility will have considerable electronic/automated security features in the space occupied by the justice system including but not limited to the following:

- Multiple cameras in each court room
- Multiple cameras in the jury selection room
- Multiple cameras in all hallways
- Multiple cameras in all other open areas
- A metal detector at the public entrance
- Multiple cameras at the loading/unloading area for defendants transferred from and to the jail
- Doors that lock when triggered by authorized staff to lock down a given room and or area and or the entire building
- Segregated and secure hallways, office space and common areas for Justice Department and District Attorney staff

With present court security staffing (and funding), per prioritization guidance provided by the Best Practices report (BP), it appears staff would be assigned to the command center, or location where the deputy could monitor the video of all cameras. As I understand it, there is no dedicated command center, and all security cameras will feed into monitors located in various

locations within the building, including the Sheriff's Office, Bailiff work area, and the main public entrance.

This is a hybrid solution in that the deputy will monitor activity throughout the building on the monitors and be located at the main entrance. A gap with this model appears to be with respect to the deputy's attention to activity as it occurs at the entrance which diverts attention away from monitoring activity throughout the building on the television monitors. An additional gap occurs during breaks and when the deputy is transporting in-custody defendants to and from the Justice Center (see topics B-1 and B-5 of the BP).

In addition to the above staffing, the Sheriff's Office staff will relocate to the Justice Center facility. This move will provide on-site uniform officer staffing that may serve both as a deterrent and capacity to provide immediate response to security issues, provided the uniform staffing is present in the building.

Without reducing services elsewhere, present funding is inadequate to provide a dedicated deputy to transport defendants and or escort the defendants through the Justice Center or a dedicated deputy to any of the courtrooms (see topic B-3 of the BP). Additionally, present security funding is inadequate to provide a dedicated rover on any floor with a courtroom (see topic B-3 of the BP).

If these services are desired, based on the three courtrooms being occupied twenty-five percent of the time an equivalent of one (1.00) FTE is necessary to provide dedicated security in the courtroom, with an estimated cost of \$140,000. An additional three-quarters (0.75) FTE is needed to serve as a rover on each floor with a courtroom that has active court proceedings, with an estimated cost of \$105,000. Staffing to provide escort services for in-custody defendants is one FTE, with an estimated cost of \$140,000. The estimated total staff and cost to increase security services to all areas addressed by the Best Practices report is an additional two and three-quarters FTEs at a cost \$385,000. The total estimated security staffing cost for the equivalent of four FTEs (4.0 FTEs), including the existing security staffing is approximately \$560,000.

Another alternative is to utilize outsourced security services to perform some of the duties associated with the security program, such as the public entrance and monitoring the security cameras. This alternative allows much more staffing flexibility, reduced/eliminated onboarding costs, and allows the Sheriff's Office to focus on their core mission. Preliminary information suggests the cost associated with outsourcing to be less costly than internal staffing.

Attachment 2: Findings Court Operations, Similar Size Court Operations, State of Oregon
June 2023

County	Clatsop	Hood River	Jefferson	Wasco
Number of Judges	3	2	3 (shared with Crook County)	2
Number of Courtrooms	3	2	3	2
Number of Entrances	3 public, 1 private (this will change next year to 1 public entrance, 1 private entrance for AIC's)	4 or 5, but only 1 public entrance. The remaining entrances are secured with access control (key cards)	1 public, 1 staff, 1 DA's office	4
Are metal detectors used?	Only during high risk trials and hearings	Y, and x-ray	N, After the conclusion of the courthouse construction, it was decided not to spend the money on the detectors.	N
If yes, at all entrances?	1 outside the courtroom where the trial is taking place (this will change next year as well)	For public entrance only		n/a
Number of staff assigned to each metal detector	1	2 security personnel are assigned for the majority of the day, with slightly staggered shifts to allow for the building to be open 7:30 a.m.-5 p.m., any day the courthouse is open to the public (excludes weekends and holidays)	n/a	n/a
Is security staff assigned to each courtroom if trial held?	Yes, 1 deputy	No, only upon request by court or if law enforcement determines there is a need (which is ran by the court)	1 court security deputy is assigned to courthouse security. If a trial is scheduled, Court Security Deputy looks at the history of the case and decides if any additional persons are needed	The Sheriff's Office provides security if it is requested by the courts. This is done with our deputies when required.
Is security staff provided by Sheriff's Office?	Yes, 1 deputy	The Sheriff's Office contracts with DPI security, which has the statewide DAS contract' Sheriff's Office for court needs.	Yes	Y, when requested
If yes, are these staff members represented or unrepresented?	Represented	Private security via DPI	Represented	All deputies are part of WCLEA, however those of us who work in administration (Patrol Sgt.'s as well) also provide security when needed.
Do security staff carry weapon or not?	Yes, duty pistol, Taser and OC spray	Screening personnel are unarmed	Yes, firearm	We don't have security staff for just this purpose, as noted above it is only deputies who provide this service
Is security staff overseen by SO or another department?	SO Corrections Division	DPI has their own supervisors, however, the day to day is overseen by the Sheriff's Office. DPI provides on onsite "lead" position.	SO	SO
What is the estimated cost of security?	A lot! We have 3 deputies assigned to Court Security and Transports, generally we have two at the courthouse 4 days a week and 1 on Friday. Average cost of a deputy, all in, is approximately \$140,000.00/year, depending on who is assigned to the detail.	\$130,000 for FY 23/24 (includes 2 security officers daily. Rate is fixed via state contract but varies based on region i.e., metro vs. rural)	Court Security Deputy \$85,086 + \$22,000 in court overtime	We do not keep track of this unless we submit a reimbursement form to the court in certain cases. This is rare but when there is an extended trial we usually work with the courts to get some/all of our costs reimbursed
How much does the state contribute to offset the cost of security?	The state pays us \$68,000/year. One time payment (not a good trade!)	For security projects such as cameras, duress, and access cards, the state court security fund pays for, or combines with the county to pay for the costs. The court security fund also pays for the monthly rental fee of the x-ray machine (\$550 per month). HRC's court security allocation is so small it does not cover cost of screening personnel, which is paid for by county government, as it is a statutory mandate of the Sheriff to provide court security.	State contributes \$17,500/yr	It depends, but as noted above we can give an estimate to the court to cover the costs. I will note this is a pretty rare occurrence as we don't have too many trials that run really long. We can usually cover the cost internally
Contact Name	Lt. Thomas Teague	Sheriff Matt English	Deputy Joseph Mead	Sheriff Lane Magill
Email Address	tteague@clatsopcounty.gov	menglish@hoodriversheriff.com	jmeaddeputy@jco.jeffersoncountyor.gov	lanem@co.wasco.or.us

County	Columbia	Tillamook	Union
Number of Judges	3	2	2
Number of Courtrooms	3	2	2
Number of Entrances	3 public entrances (8 entrances total?)	2 public plus 4 staff	single point entry for attorneys and public, staff and employees have 3 entrances in addition to the main entry. All doors except for main entry are security FOB access only.
Are metal detectors used?	No. (We have 3 portable detectors that can be deployed as needed)	Y	Y, in addition to an x-ray machine for bags, coats, etc etc.
If yes, at all entrances?	n/a	Just one at the main public entrance	Single entrance, so yes
Number of staff assigned to each metal detector	n/a	One private security officer	The SO only dedicates one FTE to the whole building, their office is located directly by the main entrance so they run the metal detector and x ray machine. They additionally have intercoms to listen in to court proceedings in addition to camera and instant messenger systems with court staff.
Is security staff assigned to each courtroom if trial held?	Only if a defendant is in custody or additional security requested.	There is one deputy assigned to the courthouse. The deputy moves between courtrooms during the day. If additional deputies are needed due to expected problems, additional deputies can be assigned.	Security staff for in custody trials and in custody hearings comes from the jail security staff. All non-custodial trials are handled by court security.
Is security staff provided by Sheriff's Office?	Y	The Court Security Deputy is provide by the sheriff's office. The private security office is provide via a contract with the county.	Yes security is a Sheriff's office positions. We require either a Police or Corrections certification.
If yes, are these staff members represented or unrepresented?	Represented	The deputy is union represented. Not sure about contracted private security officer.	Represented
Do security staff carry weapon or not?	Yes	Both carry a weapons	They are certified staff, our current is a certified Police Officer, so they are armed, armored, and trained just like our other staff.
Is security staff overseen by SO or another department?	SO	SO	Yes, I am the manager assigned to court security, however we give a lot of control to the Trial Court Administrator for small, day to day, things. It is a very joint management style.
What is the estimated cost of security?	\$161,583	Private security contract is not-to-exceed \$68,900 this year. The deputy would range would be \$101,192 to \$125,798	Actual - \$89,496 (this is a topped out employee with multiple incentives, 71K is salary alone, this particular employee waived his health benefits so there is significant savings there.
How much does the state contribute to offset the cost of security?	State contributes \$16,000/yr	We currently receive a yearly transfer from the state in the amount of \$50,000.	OJD contributes \$42,000 for the position. From a purely financial outlook it is a money loser, but the quality of service level in using certified staff there plus the flexibility it provides is more than worth it to our county.
Contact Name	Riley Baker	Rachel Hagerty	Lt. Nick Huelter
Email Address	riley.baker@columbiacountyor.gov	rhagerty@co.tillamook.or.us	nickh@union-county.org

Attachment E

Justice Center - Facility Maintenance Projection

8/18/2023

Fiscal Years Ending June 30, 2025-2044 (amounts in thousands) Annual inflation rate of 2% included

Expense Type	Utility/Asset Listings	Cumulative Cost			OJD	Crook County
		FY 24-25	FY 43-44	FY's 2024-2044		
Utility	City of Prineville - Water & Sewer	28	41	687	454	233
Utility	Pacific Power	86	125	2,093	1,384	709
Utility	Cascade Natural Gas	54	78	1,300	860	441
Utility	Garbage	11	16	264	175	89
Utility	Communications (CC Only, No OJD)	19	28	462		462
-	Utility Subtotal -	\$ 197,813	\$ 288,177	\$ 4,806,341	\$ 2,872,253	\$ 1,472,329
Asset	Security Cameras	-	18	286	265	21
Asset	Access Control System Assembly	-	22	330	242	89
Asset	Burglar Alarm/Duress System Assembly	-	2	28	19	10
Asset	Server PDU's, UPS's and Chatsworth racks	-	16	196	108	88
Asset	Audio/Video Devices	-	25	364	266	98
Asset	Xray and Metal Detector Machines	-	4	49	49	-
Asset	Life Safety Distributed Antenna System	-	4	55	36	19
Asset	Fire Alarm System, Devices and Equipment	-	4	49	32	17
Asset	Roofing, Gutters and Downspout Assemblies	-	1	19	13	7
Asset	Flooring Assemblies	-	20	263	174	89
Asset	Elevator Systems	-	27	270	178	91
Asset	Air Handlers at Rooftop	-	27	378	250	128
Asset	Locker Assemblies (Includes Evidence Storage)	-	5	67	44	23
Asset	Window Shade Systems	-	3	46	30	15
Asset	Acoustical Ceiling Systems	-	9	106	70	36
Asset	Cladding Systems (Stone and Fiber Cement)	-	8	126	83	43
Asset	Glazing Systems (Storefront, Entrances, Glass)	-	7	105	69	36
Asset	Glass Rail System at Grand Stairs	-	3	41	27	14
Asset	Millwork Systems (Courtrooms and Commons)	-	13	177	117	60
Asset	Lighting Assemblies and Associated Controls	-	22	294	195	100
Asset	Electrical Switchgear, CT Can, Panels	-	5	73	48	25
Asset	Lightning Protection System	-	1	17	11	6
Asset	Mechanical Controls/Monitoring Assemblies	-	8	130	86	44
Asset	Plumbing, Piping and Fixture Systems	-	5	73	48	25
Asset	Terminal Units, Exhaust Fans and Duct Systems	-	15	211	140	72
Asset	Domestic Water Softener and Filtration System	-	3	39	26	13
Asset	Boilers, Water Heaters/Heat Exchanger System	-	9	116	76	39
Asset	Fire Pump and Suppression System	-	8	94	62	32
Asset	Backup Generator/ATS and Load banking device	-	6	75	50	26
Asset	Secure Parking Devices (Gates and Operators)	-	3	41	27	14
Asset	Hydronic Ice Melt Systems (Entries)	-	4	45	30	15
Asset	Electric Snow Melt Systems (rooftop drains)	-	3	46	30	15
Asset	Furniture and Furnishings	-	11	169	85	85
Asset	Unit Heaters (Sallyport, Egress Stairs etc.)	-	3	31	20	10
Asset	Doors, Frames and Hardware (pedestrian only)	-	20	245	162	83
Asset	OH Door Assemblies (Sallyport and Mechanical)	-	3	41	27	14
Asset	Onsite Improvements (Paving, Concrete, Striping)	-	7	114	76	39
-	Assets Subtotal -	\$ -	\$ 350,925	\$ 4,807,977	\$ 3,270,885	\$ 1,537,092
Service	Janitorial Cleaning	121,617	177	2,955	1,954	1,001
Service	Pest Control Services	1,824	3	44	29	15
Service	Security/Fire Alarm Monitoring/Dispatch	1,351	2	33	22	11
Service	Elevators - Service, Inspect and Certify	15,684	23	381	252	129
Service	Access Controls - Technical Support	16,216	24	378	250	128
Service	Xray Machine Annual Test/Service/Certify	3,850	6	94	62	32
Service	Tech Support Contract - HVAC Controls (BMS)	26,350	38	614	406	208
Service	Preventative Maintenance - HVAC Equipment	47,971	70	1,166	771	395
Service	Domestic Softener/Filter System - Descale & Test	3,678	5	89	59	30
Service	Fire Suppression Annual Inspection per Code	1,860	3	43	29	15
Service	Security Camera Software/IT Support	11,700	17	273	180	92
Service	Generator, ATS/Load Bank - Service & Test	2,835	4	69	46	23
-	Service Subtotal -	\$ 254,937	\$ 371,395	\$ 6,138,170	\$ 4,058,015	\$ 2,080,155
Facilities	State Elevator and Boiler Permitting	2,200	3	53	35	18
Facilities	Janitorial Supply Products/Consumables	38,512	56	936	619	317
Facilities	Landscaping/Irrigation/Grounds Maintenance	26,350	38	627	415	213
Facilities	Building Repairs and General Maintenance	61,484	90	1,439	951	488
Facilities	Lighting/Plumbing Service Maintenance	18,243	27	425	281	144
Facilities	Snow Removal and Deicing	30,400	44	739	488	250
Facilities	Rooftop Maintenance and Bird Mitigation	7,219	11	172	114	58
Facilities	Flooring Maintenance	7,219	11	172	114	58
Facilities	Doors, Frames and Hardware Maintenance	14,189	21	331	219	112
Facilities	Exterior Glazing Cleaning/Maintenance	20,768	30	505	334	171
-	Facilities Subtotal -	\$ 226,584	\$ 330,090	\$ 5,397,238	\$ 3,568,176	\$ 1,829,062
All Operations	Totals	\$ 515,047	\$ 1,340,587	\$ 21,149,726	\$ 13,769,329	\$ 6,918,638

*Cumulative totals and associated allocations include warranty year discounts

Attachment F

Justice Center - Facility Maintenance Projection

8/18/2023

Warranty Year Summary (Fiscal Year 2024-2025)

Expense Type	Utility/Asset Listings	Warranty Year		Cost per		
		Discount	FY 24-25	Sq. Ft.	OJD	Crook County
Utility	City of Prineville - Water & Sewer	-	\$ 28,285	\$ 0.42	\$ 18,700	\$ 9,586
Utility	Pacific Power	-	86,143	1.27	56,950	29,193
Utility	Cascade Natural Gas	-	53,515	0.79	35,379	18,135
Utility	Garbage	-	10,866	0.16	7,184	3,682
Utility	Communications (CC Only, No OJD)	-	19,005	0.83	-	19,005
Service	Janitorial Cleaning	-	121,617	0.15	80,402	41,215
Service	Pest Control Services	-	1,824	0.03	1,206	618
Service	Security/Fire Alarm Monitoring/Dispatch	-	1,351	0.02	893	458
Service	Elevators - Service, Inspect and Certify	-	15,684	0.23	10,369	5,315
Service	Access Controls - Technical Support	(16,216)	16,216	0.24	10,720	5,495
Service	Xray Machine Annual Test/Service/Certify	-	3,850	0.06	2,545	1,305
Service	Tech Support Contract - HVAC Controls (BMS)	(26,350)	26,350	0.39	17,421	8,930
Service	Preventative Maintenance - HVAC Equipment	-	47,971	0.71	31,714	16,257
Service	Domestic Softener/Filter System - Descale & Test	-	3,678	0.05	2,432	1,247
Service	Fire Suppression Annual Inspection per Code	(1,860)	1,860	0.03	1,230	630
Service	Security Camera Software/IT Support	(11,700)	11,700	0.17	7,735	3,965
Service	Generator, ATS/Load Bank - Service & Test	-	2,835	0.04	1,874	961
Facilities	State Elevator and Boiler Permitting	-	2,200	0.03	1,454	746
Facilities	Janitorial Supply Products/Consumables	-	38,512	0.57	25,461	13,051
Facilities	Landscaping/Irrigation/Grounds Maintenance	(13,175)	26,350	0.39	17,421	8,930
Facilities	Building Repairs and General Maintenance	(55,336)	61,484	0.91	40,648	20,836
Facilities	Lighting/Plumbing Service Maintenance	(18,243)	18,243	0.27	12,060	6,182
Facilities	Snow Removal and Deicing	-	30,400	0.45	20,098	10,302
Facilities	Rooftop Maintenance and Bird Mitigation	(3,610)	7,219	0.11	4,773	2,447
Facilities	Flooring Maintenance	(3,610)	7,219	0.11	4,773	2,447
Facilities	Doors, Frames and Hardware Maintenance	(14,189)	14,189	0.21	9,380	4,808
Facilities	Exterior Glazing Cleaning/Maintenance	-	20,768	0.31	13,730	7,038
All Operations	Subtotal	\$ (164,287)	\$ 515,047	\$ 7.62	\$ 327,939	\$ 187,108

Attachment G

8/18/2023

Justice Center - Facility Maintenance Projection

Asset Repair and Replacement Analysis
 Fiscal Years Ending June 30, 2025-2044 (amounts in thousands) Annual inflation rate of 2% included

Expense Type	Utility/Asset Listings	Service Life (years)	Asset Replacement Cost	Repair/Replace Annual	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34	FY 34-35	FY 35-36
Asset	Security Cameras	10	318	13	13	13	13	13	14	14	14	14	15	15	15
Asset	Access Control System Assembly	15	451	15	-	15	16	16	16	17	17	17	18	18	18
Asset	Burglar Alarm/Duress System Assembly	15	84	1	-	1	1	1	1	1	1	1	2	2	2
Asset	Server PDU's, UPS's and Chatsworth racks	10	210	10	-	-	-	-	-	12	13	13	13	13	14
Asset	Audio/Video Devices	10	1,494	17	-	-	18	19	19	19	20	20	20	21	21
Asset	Xray and Metal Detector Machines	10	42	2	-	-	-	-	-	3	3	3	3	3	3
Asset	Life Safety Distributed Antenna System	25	328	3	-	-	-	-	-	3	4	4	4	4	4
Asset	Fire Alarm System, Devices and Equipment	30	168	2	-	-	-	-	-	3	3	3	3	3	3
Asset	Roofing, Gutters and Downspout Assemblies	20	813	1	-	-	-	1	1	1	1	1	1	1	1
Asset	Flooring Assemblies	10	535	13	-	-	-	-	15	15	16	16	16	17	17
Asset	Elevator Sysems	40	1,250	15	-	-	-	-	-	-	-	-	22	23	23
Asset	Air Handlers at Rooftop	15	1,016	18	-	-	-	20	21	21	21	22	22	23	23
Asset	Locker Assemblies (Includes Evidence Storage)	15	157	3	-	-	-	-	4	4	4	4	4	4	4
Asset	Window Shade Systems	15	50	2	2	2	2	2	2	2	2	2	2	2	2
Asset	Acoustical Ceiling Systems	20	645	5	-	-	-	-	-	7	7	7	7	7	7
Asset	Cladding Systems (Stone and Fiber Cement)	25	2,786	6	6	6	6	6	6	6	6	6	6	7	7
Asset	Glazing Systems (Storefront, Entrances, Glass)	25	1,140	5	5	5	5	5	5	5	5	5	5	5	6
Asset	Glass Rail System at Grand Stairs	20	109	2	2	2	2	2	2	2	2	2	2	2	2
Asset	Millwork Systems (Courtrooms and Commons)	10	1,041	8	-	-	-	-	10	10	11	11	11	11	11
Asset	Lighting Assemblies and Associated Controls	15	693	14	-	-	-	-	17	17	18	18	18	19	19
Asset	Electrical Switchgear, CT Can, Panels	25	423	3	3	3	3	3	3	4	4	4	4	4	4
Asset	Lightning Protection System	25	32	1	1	1	1	1	1	1	1	1	1	1	1
Asset	Mechanical Controls/Monitoring Assemblies	15	418	6	6	6	6	6	6	6	6	7	7	7	7
Asset	Plumbing, Piping and Fixture Systems	20	1,179	3	3	3	3	3	3	4	4	4	4	4	4
Asset	Terminal Units, Exhaust Fans and Duct Systems	15	2,765	10	-	-	-	11	12	12	12	12	13	13	13
Asset	Domestic Water Softener and Filtration System	20	43	2	-	-	-	2	2	2	2	2	2	2	2
Asset	Boilers, Water Heaters/Heat Exchanger System	20	235	6	-	-	-	-	7	7	7	7	7	7	8
Asset	Fire Pump and Suppression System	30	610	5	-	-	-	-	-	6	6	6	6	6	6
Asset	Backup Generator/ATS and Load banking devic	30	207	4	-	-	-	-	-	5	5	5	5	5	5
Asset	Secure Parking Devices (Gates and Operators)	20	58	2	2	2	2	2	2	2	2	2	2	2	2
Asset	Hydronic Ice Melt Systems (Entries)	20	52	2	-	-	-	-	-	3	3	3	3	3	3
Asset	Electric Snow Melt Systems (rooftop drains)	20	75	2	2	2	2	2	2	2	2	2	2	2	2
Asset	Furniture and Furnishings	10	650	7	7	8	8	8	8	8	9	9	9	9	9
Asset	Unit Heaters (Sallyport, Egress Stairs etc.)	20	34	2	-	-	-	-	-	-	-	-	3	3	3
Asset	Doors, Frames and Hardware (pedestrian only)	30	1,312	12	-	-	-	-	-	15	16	16	16	17	17
Asset	OH Door Assemblies (Sallyport and Mechanical)	20	60	2	2	2	2	2	2	2	2	2	2	2	2
Asset	Onsite Improvements (Paving, Concrete, Stripi	20	185	5	5	5	5	5	5	6	6	6	6	6	6
-	Assets Subtotal -		\$ 21,485,256		\$ 57,250	\$ 75,143	\$ 94,837	\$131,463	\$187,088	\$248,026	\$252,986	\$258,046	\$ 287,881	\$ 293,638	\$ 299,511
															Cumulative
															Cost
															FY's 2024-
															2044
															OJD
															Crook County
Asset	Security Cameras	10	318	13	16	16	16	16	17	17	18	18	286	265	21
Asset	Access Control System Assembly	15	451	15	19	19	20	20	20	21	21	22	330	242	89
Asset	Burglar Alarm/Duress System Assembly	15	84	1	2	2	2	2	2	2	2	2	28	19	10
Asset	Server PDU's, UPS's and Chatsworth racks	10	210	10	14	14	14	15	15	15	16	16	196	108	88
Asset	Audio/Video Devices	10	1,494	17	22	22	23	23	24	24	24	25	364	266	98
Asset	Xray and Metal Detector Machines	10	42	2	3	4	4	4	4	4	4	4	49	49	-
Asset	Life Safety Distributed Antenna System	25	328	3	4	4	4	4	4	4	4	4	55	36	19
Asset	Fire Alarm System, Devices and Equipment	30	168	2	3	4	4	4	4	4	4	4	49	32	17
Asset	Roofing, Gutters and Downspout Assemblies	20	813	1	1	1	1	1	1	1	1	1	19	13	7
Asset	Flooring Assemblies	10	535	13	17	18	18	19	19	19	20	20	263	174	89
Asset	Elevator Sysems	40	1,250	15	24	24	24	25	25	26	26	27	270	178	91
Asset	Air Handlers at Rooftop	15	1,016	18	24	24	25	25	26	26	27	27	378	250	128
Asset	Locker Assemblies (Includes Evidence Storage)	15	157	3	4	5	5	5	5	5	5	5	67	44	23
Asset	Window Shade Systems	15	50	2	3	3	3	3	3	3	3	3	46	30	15
Asset	Acoustical Ceiling Systems	20	645	5	7	8	8	8	8	8	8	9	106	70	36
Asset	Cladding Systems (Stone and Fiber Cement)	25	2,786	6	7	7	7	7	7	8	8	8	126	83	43
Asset	Glazing Systems (Storefront, Entrances, Glass)	25	1,140	5	6	6	6	6	6	6	7	7	105	69	36
Asset	Glass Rail System at Grand Stairs	20	109	2	2	2	2	2	2	3	3	3	41	27	14
Asset	Millwork Systems (Courtrooms and Commons)	10	1,041	8	12	12	12	12	13	13	13	13	177	117	60
Asset	Lighting Assemblies and Associated Controls	15	693	14	20	20	20	21	21	22	22	22	294	195	100
Asset	Electrical Switchgear, CT Can, Panels	25	423	3	4	4	4	4	4	4	4	5	73	48	25
Asset	Lightning Protection System	25	32	1	1	1	1	1	1	1	1	1	17	11	6
Asset	Mechanical Controls/Monitoring Assemblies	15	418	6	7	7	7	8	8	8	8	8	130	86	44
Asset	Plumbing, Piping and Fixture Systems	20	1,179	3	4	4	4	4	4	4	4	5	73	48	25
Asset	Terminal Units, Exhaust Fans and Duct Systems	15	2,765	10	13	14	14	14	14	15	15	15	211	140	72
Asset	Domestic Water Softener and Filtration System	20	43	2	2	2	3	3	3	3	3	3	39	26	13
Asset	Boilers, Water Heaters/Heat Exchanger System	20	235	6	8	8	8	8	8	8	9	9	116	76	39
Asset	Fire Pump and Suppression System	30	610	5	7	7	7	7	7	7	7	8	94	62	32
Asset	Backup Generator/ATS and Load banking devic	30	207	4	5	5	6	6	6	6	6	6	75	50	26
Asset	Secure Parking Devices (Gates and Operators)	20	58	2	2	2	2	2	2	2	3	3	41	27	14
Asset	Hydronic Ice Melt Systems (Entries)	20	52	2	3	3	3	3	3	3	4	4	45	30	15
Asset	Electric Snow Melt Systems (rooftop drains)	20	75	2	3	3	3	3	3	3	3	3	46	30	15
Asset	Furniture and Furnishings	10	650	7	9	9	10	10	10	10	10	11	169	85	85
Asset	Unit Heaters (Sallyport, Egress Stairs etc.)	20	34	2	3	3	3	3	3	3	3	3	31	20	10
Asset	Doors, Frames and Hardware (pedestrian only)	30	1,312	12	17	18	18	18	19	19	19	20	245	162	83
Asset	OH Door Assemblies (Sallyport and Mechanical)	20	60	2	2	2	2	2	2	2	3	3	41	27	14
Asset	Onsite Improvements (Paving, Concrete, Stripi	20	185	5	6	6	6	6	7	7	7	7	114	76	39
					\$305,501	\$311,611	\$317,844	\$324,200	\$330,685	\$337,298	\$344,044	\$350,925	\$ 4,807,977	\$ 3,270,885	\$ 1,537,092

From: Catherine Susman <Catherine.Susman@ojd.state.or.us>
Sent: Thursday, September 21, 2023 4:51 PM
To: John Eisler
Cc: Phillip Lemman; David T. Moon; Christa L. Papke; Reza Alavi; Lori DePaulis; Robert A. Baxter
Subject: FW: Master Funding Agreement Meeting Request

Hi John,

We had an internal meeting yesterday and discussed County's requests, as outlined in your email dated September 13, 2023. We appreciate the County's willingness to have a meeting, but we believe that having a meeting at this point is premature without a clear understanding of the issues remaining and identifying a path to resolving the issue(s) in dispute. We understand the urgency of your request and also desire to resolve these open issues as quickly as possible. The issues, however, are dependent on the legal interpretation of the statutory responsibilities and obligations.

The County has made its legal interpretation clear to us on the utilities and maintenance issue. We have responded to County's requests. On April 21, 2023, we shared our formal response to County's memorandum of February 8, 2023. In our response, we outlined our formal position and clearly stated our position that the county retains responsibility to provide maintenance and utilities under "suitable and sufficient" courthouses for the State and Section Nine of chapter 705, Oregon Laws 2013, as amended Section Seven of chapter 121, Oregon Laws 2014. To support our reasoning, we provided historic background and in-depth statutory analysis. We also pointed out that by interpreting "may" to mean "shall" the County had changed the plain text of the law to create obligations for the State where it has discretion. Your internal memo of August 1, 2023 outlined the county's legal position on two issues - responsibility for courthouse security equipment and responsibility for courthouse utilities and maintenance. However, your September 13 email provides proposed language only for the latter issue. Before we meet would appreciate the county clarifying the issues (or issue) remaining to be resolved.

OJD's position is that Oregon Judicial Department does not have statutory authority to own or maintain the courthouse. Moreover, at this point, and historically on all other courthouse replacement projects, no other county has proposed this novel reading of the law and the legislature has not included any funds in OJD's budget to pay for or to assist the counties to pay for the maintenance and utilities of any of the courthouses constructed with the support of state funds.

Again, we welcome formal response from the county. We are also seeking independent advice. Once we have the additional advice, we will be in a position to meet with the county to discuss. Additionally, if the County wishes to continue to move forward with the MFA as last agreed upon, OJD is happy proceed with finalizing that agreement for execution.

Best regards,
Cathey

Catherine Susman
Deputy General Counsel
Office of General Counsel
Office of the State Court Administrator
Oregon Judicial Department

From: John Eisler <John.Eisler@crookcountyor.gov>
Sent: Friday, September 15, 2023 11:53 AM
To: Reza Alavi <Reza.Alavi@ojd.state.or.us>
Cc: Andy Parks <aparks@geloregon.com>; Eric Blaine <Eric.Blaine@crookcountyor.gov>; Brian Barney <Brian.Barney@crookcountyor.gov>
Subject: RE: Master Funding Agreement Meeting Request

WARNING: This email is from outside of the Oregon Judicial Department. If links or files in this email are unexpected, even if from an email address you trust, please call the sender on the phone and verify them before you click.

Hi Reza,

Thanks for getting back to me. Time is of the essence here. The County would like to meet next week, if possible. Please let me know as soon as you've had your internal meeting if that is feasible.

Best,



JOHN EISLER

ASSISTANT COUNSEL

Crook County Legal Counsel's Office
Mailing: 300 NE 3rd St., Prineville, OR 97754
Office: (541) 416-3919 Ext. 279

From: Reza Alavi <Reza.Alavi@ojd.state.or.us>
Sent: Wednesday, September 13, 2023 9:07 PM
To: John Eisler <John.Eisler@crookcountyor.gov>
Cc: Andy Parks <aparks@geloregon.com>; Eric Blaine <Eric.Blaine@crookcountyor.gov>; Brian Barney <Brian.Barney@crookcountyor.gov>; Heidi Strickland <Heidi.Strickland@ojd.state.or.us>; Phillip Lemman <Phillip.Lemman@ojd.state.or.us>; Robert A. Baxter <Robert.A.Baxter@ojd.state.or.us>; David T. Moon <David.T.Moon@ojd.state.or.us>; Christa L. Papke <Christa.L.Papke@ojd.state.or.us>; Catherine Susman <Catherine.Susman@ojd.state.or.us>
Subject: RE: Master Funding Agreement Meeting Request

Hi John,

Thank you for your email. I am in the process of scheduling an internal meeting to discuss your email below. I will be in touch before the end of next week to schedule a meeting.

I am looking forward to meeting you the County leadership in person.

Best Regards,

Reza Alavi
Senior Assistant General Counsel

From: John Eisler <John.Eisler@crookcountyor.gov>

Sent: Wednesday, September 13, 2023 3:57 PM

To: Catherine Susman <Catherine.Susman@ojd.state.or.us>; Reza Alavi <Reza.Alavi@ojd.state.or.us>

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Subject: Master Funding Agreement Meeting Request

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Greetings,

After meeting with County leadership earlier today, Crook County formally requests an in-person meeting in Salem with the attorneys and stakeholders for both sides. The County would like to get the disagreement regarding the lease terms ironed out before entering into the Master Funding Agreement. The County maintains that under Or. Laws 2013, ch. 705, the State is obligated to negotiate in good faith and execute a long-term lease agreement in which the State agrees to provide the property and services described in ORS 1.185(1)(a) for those portions of the Project under the State's exclusive control. Accordingly, we request the following Lease Terms:

(b) Lease Terms. The State Leases shall contain the following general terms and conditions:

(i) The initial term of the State Leases shall last until the State Bonds mature or full payment of the Defeasance Costs of the State Bonds, whichever occurs first.

(ii) As required by the Oregon Constitution, the State Leases shall grant OJD and the Colocation Agency(ies), as applicable, a full leasehold interest including the exclusive right to control and use the State Premises.

(ii) Also as required by the Oregon Constitution, OJD Lease must provide OJD with sufficient control over any those portions of the Project that were constructed using Article XI-Q bonds, including without limitation common areas.

(iii) During the initial term of the State Leases, OJD and the Colocation Agency(ies) shall not pay any rent to the County.

(iv) Reserved.

(v) OJD and the Colocation Agency(ies) have the right, but not the obligation, to each extend the term of the State Leases. During any extension term, OJD shall not pay any rent, however the Colocation Agency(ies) may be charged fair market rent for the Colocation Premises during any extension term.

(vi) OJD and the Colocation Agency(ies) shall, at their own expense, provide supplies, materials, equipment and other personal property necessary for their business operations (except for any furniture, fixtures and equipment that are part of the Project Plans and Specifications).

(vii) The County shall repair, maintain, and replace, when necessary and in its sole discretion, all Project Common Areas and non-State Premises, including the roof, foundation, exterior walls, interior structural walls, all structural components, and systems such as mechanical, electrical, HVAC, and plumbing of or in the Project;

(viii) OJD and the Colocation Agency(ies) shall, at their own expense, agree to provide the property and services for the State Premises described in ORS 1.185(1)(a), including, without limitation, maintaining all portions of the State Premises, fixtures, and equipment situated in the State Premises; make all necessary repairs and replacement to all portions of the State Premises and pay County for the repairs or replacements to

the Project if any such repairs or replacements are needed because of the misuse or primary negligence of OJD or the Colocation Agency(ies); and provide all maintenance and janitorial services.

(ix) The County will provide access to utility services such as gas, water, sewer, electricity, telephone, garbage, and Internet to the State Premises. OJD and the Colocation Agency(ies) will promptly pay any and all charges for such utilities. If any such utilities or services are not separately metered or invoiced to OJD or the Colocation Agency(ies), County will equitably apportion the charges, based on the allocation of State Premises to the total square footage of the Project. OJD and the Colocation Agency(ies) will timely pay their apportioned share on a monthly basis as invoiced by County.

The County is available to meet next week, anytime either September 21 or 22. Please coordinate with your team and let me know an acceptable meeting time.

Best,



JOHN EISLER

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