

CAPITAL PLANNING ADVISORY BOARD

**2022-2028
Agency Capital Plan**

Staff Analysis and Comments

AGENCY:

Department of Military Affairs

OVERVIEW

The Department of Military Affairs (DMA) is a unique organization within state government, having both a state organizational component and a federal government component under the Office of the Adjutant General. The state component is organized under KRS Chapter 36 through 39F. DMA has a wide array of complex missions that encompass support of the Governor and the Commonwealth, per Section 75 of the Kentucky Constitution, in state domestic affairs as well as supporting national defense planning and operations for the Kentucky Army and Air National Guard per US Code, Title 32. The department executes these requirements through a multi-component workforce made up of 90 full-time state employees, 427 Dept. of Defense contractual state employees, and a federal full-time workforce comprised of 661 military technicians, 786 Title 32/10 active-duty military personnel, as well as over 7,800 traditional Army and Air National Guard members. This total workforce is housed in 375 state-owned buildings and 14,147 acres of land, which includes 12,424 acres of training sites managed by DMA.

Organizationally, DMA has eight state divisions and 14 federal divisions. DMA has both a state budget and a federal military budget of approximately \$200 million dollars. DMA’s state budget of around \$99.8 million dollars annually, and consists of a mix of approximately 10 percent general funds, 46 percent restricted funds, and 44 percent federal grant funds. The federal grant funds are earmarked funds provided to directly support federal operational grant programs and can only be used to support the required federal grant program activities. It cannot be used to support ‘infrastructure maintenance’ of state-owned facilities or other state-related operational costs. All state restricted funds are generated and used in the operation of the two not-for-profit divisional elements consisting of Bluegrass Station and the Logistics Operations Center, which receive no general fund funding. The department’s general fund appropriations support the state full-time personnel costs and current services operating costs for the remaining divisions.

PROPOSED PROJECTS – Funding Summary

By Fund Source	<u>2022-2024</u>	<u>2024-2026</u>	<u>2026-2028</u>	<u>Total</u>
General Funds	\$16,227,000	\$28,600,000	\$12,500,000	\$57,327,000
Restricted Funds	9,250,000	2,000,000	2,000,000	13,250,000
Federal Funds	104,977,000	73,000,000	77,500,000	255,477,000
Other Cash	500,000	0	0	500,000
Other LTF	<u>166,500,000</u>	<u>0</u>	<u>0</u>	<u>166,500,000</u>
Total	\$297,454,000	\$103,600,000	\$92,000,000	\$493,054,000

**2022-2028 CAPITAL PLAN
PLAN OVERVIEW
FORM SYP-P1**

Branch:
Cabinet/Function:
Agency/Institution:

Executive Branch
Cabinet of the General Government
Department of Military Affairs

MAJOR CAPITAL RELATED NEEDS

The primary driver of DMA capital needs is the federal military requirement for facilities to support National Guard forces within the state. Of equal concern are the needs of the statutory state operations and the quasi-commercial facilities operated by DMA, which have taken second place in the competition for state funding when federal construction grant requirements dictated state match funding was needed. This plan addresses all known and anticipated needs of both elements for the next three biennia. There has been no major change in needs, issues, or focus from DMA's last capital plan.

CAPITAL RELATED ISSUES

- (1) Chronic armory maintenance backlog and funding issue. Federally funded military construction provides for initial construction of a state-owned armory facility but does not necessarily provide for continued maintenance of the facility infrastructure. Generally, this maintenance cost is to be borne by the state from state funds. The infrastructure declines when state funds are insufficient to properly maintain all armory buildings in a preventative maintenance fashion. This plan was developed to address this chronic maintenance backlog and funding shortfall, as well as restate currently known federal military construction plans and funding. To address this issue, the armory installation maintenance pools are requested in each biennium in an amount designed to help alleviate the maintenance backlog.

- (2) Infrastructure and development of non-military activities. The sustainment and development of the non-military activities, such as the Old Arsenal and the Youth Challenge programs, have had to compete for available state funds with the federally constructed military facilities. This competition for state funds results in a systemic shortfall in maintenance and development of these activities. This plan was also developed to specifically address the infrastructure issues of these statutory and quasi-commercial activities and contribute to their sustainment and future development. To address this issue, this plan has made a conscientious effort to identify and schedule appropriate items to further these aims.

AGENCY PRIORITIES

DMA's capital improvement plan and priorities are based on meeting federally mandated requirements and dealing with critical and chronic infrastructure repair and deferred maintenance problems. These problems arise from previously reduced or flat-lined general fund maintenance and operating budgets and increased use of aging facilities due to the war on terrorism.

DEPARTMENT OF MILITARY AFFAIRS
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2022-2024

(Project listed by agency priority; descriptions are from the agency submission)

1 Armory Installation Facility Maintenance Pool \$8,000,000

This pool includes maintenance, alteration, and renovation projects to protect real property, lengthen facility lifespans, adjust to changes in Kentucky National Guard units missions, and to keep department facilities in working order by avoiding more costly major maintenance and repair projects. A maintenance inspection of the Commonwealth's National Guard Armories conducted by the Department of Military Affairs' Facilities Management Division in 2015 determined this agency has a deferred maintenance backlog of over \$26 million dollars, which has an annual growth averaging 11 percent. Classifications of projects include kitchen and restroom renovations, roof repairs and replacements, modernization of HVAC and electrical systems, code compliance, mold and asbestos abatement, and maintenance of roads. (C-PI)

CPAB Staff Comments

- *The Department of Defense is willing to provide an additional amount of up to \$4,000,000 in each year of the biennium if state maintenance pool funds were appropriated to match their funding on a dollar for dollar basis. The budget request for this pool funding has increased from the historical \$2,000,000 per biennium to \$8,000,000 over the next biennium in order to fund the state share of the anticipated increase in federal matching dollars.*
- *Maintenance pools are requested in 2024-26 and 2026-2028 in the amount of \$8,000,000 each.*
- *The current maintenance pool appropriation is \$3 million investment income.*

2 Construct Armed Forces Readiness Center Somerset \$23,539,000

This project is 75% federally and 25% state funded and will construct an Armed Forces Reserve Center in Somerset to provide an adequate, modern facility for training and mobilization. The new facility will increase the ability of assigned units to meet federal and state mobilization requirements. The project is a priority item on the federal National Guard Long Range Construction Plan. (C-O)

CPAB Staff Notes

- *Federal funds account for \$19,312,000 of the total project scope.*
- *This project was included in the agency's 2020-2026 capital plan at a scope of \$20,900,000. The budget has been revised to reflect more up-to-date cost estimates.*
- *Amongst other things, the new facility will include an assembly hall, training simulation room, and classrooms.*

3 KY Youth Challenge Academies Maintenance Pool \$2,000,000

This program funding is 75% federally funded and 25% state funded if approved by the National Guard Bureau to allocate funds for capital projects or 100% state funded if no federal funds are available for projects. This pool is for general maintenance to the Kentucky Youth Challenge Academies located in Harlan, Kentucky and Fort Knox, Kentucky. (C-PI)

CPAB Staff Notes

- *Maintenance pools are requested in 2024-26 and 2026-2028 in the amount of \$2,000,000 each.*
- *The challenge academies teach, coach, and mentor at-risk youth. Since 1999, over 4,200 at-risk Kentucky youth have completed the program, received a second chance, and have gone on to become productive citizens.*
- *Projects included in the pool include interior and exterior upgrades to include latrine/shower upgrades, HVAC & lighting upgrade to include energy recovery unit, laundry room upgrades, window replacement, flooring, inside and outside painting, roof repairs, masonry repairs and caulking.*

4 Modernization Pool KY National Guard \$8,000,000

This project will be 75% federally funded and 25% state funded or 50% federally funded and 50% state funded. The purpose of the project is to modernize the Commonwealth's National Guard facilities to meet current National Guard Bureau requirements. The majority of the facilities in Kentucky are over 40 years old and modern requirements such as female latrines and energy efficient windows were not required at the time of construction. This project proposes to address those needs. (C-PI)

DEPARTMENT OF MILITARY AFFAIRS
Proposed Projects Involving the General Fund (cash or bonds) – cont'd

2024-2026

	Total Budget	General Funds	Federal Funds
Armory Installation Facility Maintenance Pool	\$8,000,000	\$8,000,000	\$0
Construct Armed Forces RC Bowling Green	20,000,000	5,000,000	15,000,000
Construct Armed Forces RC Hardin County	22,000,000	5,250,000	15,750,000
Construct Armory Addition-Brandenburg	8,200,000	2,050,000	6,150,000
Construct Armory Addition-Shelbyville	8,200,000	2,050,000	6,150,000
Construct BNGC Campus Generator Project	5,000,000	1,250,000	3,750,000
Construct Danville Armory Restoration	2,000,000	500,000	1,500,000
Construct G-1 Renovation	2,000,000	500,000	1,500,000
KY Youth Challenge Academies Maintenance Pool	2,000,000	2,000,000	0
Modernization Pool KY National Guard	8,000,000	2,000,000	6,000,000

2026-2028

	Total Budget	General Funds	Federal Funds
Armory Installation Facility Maintenance Pool	\$8,000,000	\$8,000,000	\$0
Construct Addition to Armory 4 Frankfort	2,000,000	500,000	1,500,000
KY Youth Challenge Academies Maint. Pool	2,000,000	2,000,000	0
Modernization Pool KY National Guard	8,000,000	2,000,000	6,000,000

DEPARTMENT OF MILITARY AFFAIRS
Other Proposed Projects
(Projects listed in alphabetical order)

Acquisition of Property at Bluegrass Station **\$47,000,000 OT-LTF**

The purpose of this project is for the acquisition of up to 4,000 acres of property adjacent to Bluegrass Station. This property would be used to construct a runway extension and hangars to be used by Bluegrass Station's largest tenants. (C-PI)

Bluegrass Station Facility Maintenance Pool **\$2,000,000 RF**

This pool contains projects for the repair and/or improvement of buildings and infrastructure at Bluegrass Station (Department of Military Affairs). Classifications of projects will include emergency roof repairs, repair of burst water mains, upgrade of sprinkling systems, and maintenance and repair of roadways. These upgrades are needed so Bluegrass Station can continue to provide service to its tenants. (C-PI)

Construct and Extend Electric Bluegrass Station **\$6,500,000 OT-LTF**

This project will upgrade the electrical systems at Bluegrass Station so it can manage the demands to be made upon it from expected growth. The upgraded electrical system will provide adequate capacity for all existing and projected loads on the facility and provide reserve power for future expansion. (C-PI)

Construct Ashland Armory Interior Restoration **\$3,000,000 FF**

This project is 100% federally funded. The Ashland Armory is over 70 years old and needs many updates. This project will perform interior modernization to the Ashland Armory facility. Interior upgrades to include female/male latrine/shower upgrades, create a lactation room, HVAC & lighting upgrades, window replacement and flooring upgrades. (C-PI)

Construct Bluegrass Station Runway **\$65,000,000 OT-LTF**

This project would construct an 8,000-foot runway extension that would allow for the repair and maintenance of fixed-wing aircraft. This project would allow Bluegrass Station's major tenant or its major contractors to consolidate nationwide operations in Kentucky. (C-O)

Construct Bowman Field Maintenance Shop Restoration **\$2,000,000 FF**

This project is 100% federally funded. The Bowman Shop located in Louisville, Kentucky has a high density of vehicles that it supports and maintains. The shop was built prior to modern military equipment and is in need of upgrades and expansion to support National Guard readiness. This project will upgrade the HVAC, restroom and shower facilities, LED lighting and replace flooring. (C-PI)

Construct Chargeable Housing Facility WHFRTC **\$2,000,000 FF**

This 100% federally funded project would construct a 3,000 square foot housing facility for military and civilian personnel using WHFRTC for training purposes. (C-PI)

Construct Civil Support Team Facility Addition **\$6,000,000 FF**

This 100% federally funded project will construct a 28,000 square foot facility to provide adequate training and support spaces for the Civil Support Team. This unit is at present in an under sized building. The new facility is needed to ensure mission readiness and to protect mission essential equipment. (C-O)

Construct Field Maintenance Shop 1 Conversion **\$3,300,000 FF**

This project will provide an additional 10,000 square feet of new space to the existing Field Maintenance Shop 1 in Ashland. The additional space will be converted to a facility that can provide sustainment level maintenance capability and comply with new Department of Defense maintenance standards. (C-PI)

Construct Field Maintenance Shop Burlington **\$14,800,000 FF**

This is a 100% federally funded project to construct a 12,000 square foot field maintenance shop in Burlington. The new facility would be constructed adjacent to the readiness center in Burlington and would accommodate the maintenance of military equipment. This new facility would replace the leased maintenance shop currently in use at Burlington. (C-O)

- Construct Field Maintenance Shop Louisville** **\$3,300,000 FF**
This project will construct a new military Field Maintenance Shop in Louisville. The new facility will sustain military equipment in accordance with new Department of Defense maintenance standards. (C-PI)
- Construct Fitness Center Facility at WHFRTC** **\$3,000,000 FF**
This project proposes to construct an approximately 5,000 square foot fitness center facility at the Wendell H. Ford Regional Training Center (WHFRTC) in Muhlenberg County, Kentucky. The fitness center facility would provide soldiers and airmen an indoor facility to assist in meeting the physical requirements of the Kentucky National Guard. (C-PI)
- Construct HLDS Athletic Field** **\$2,000,000 FF**
This project is 100% federally funded will construct a sports / athletic field turf field for training and physical testing at Harold L. Disney Training Site (HLDS) in Artemus, Kentucky. An existing track needs to be evaluated for resurfacing and adding a rubberized coating. (C-O)
- Construct Improve Sewer System Bluegrass Station** **\$5,000,000 OT-LTF**
This project constructs new sewer lines and makes improvements to the existing sewer system. This project is essential to the future of Bluegrass Station. (C-PI)
- Construct Indoor Shooting Range Boone Center** **\$3,000,000 OT-LTF**
This project is for a lease agreement with a private lessee, who will finance, construct, maintain, manage, operate, and furnish an indoor shooting range structure at the lessee's sole expense. The Department of Military Affairs would lease approximately 2 acres on Boone National Guard Center for the construction and operations of a four-lane small arms indoor firing range. (C-O)
- Construct Multipurpose Machine Gun Range WHFRTC** **\$6,515,000 FF**
This 100% federally funded project proposes to construct three separate firing ranges with a total of 34 lanes and a 2,000 sq ft ammunition storage and breakdown building. These ranges are needed to adequately support battalion sized training elements on WHFRTC. (C-O)
- Construct New Barracks at HLDS** **\$3,000,000 FF**
This 100% federally funded project will construct new barracks at Harold L. Disney Training Site (HLDS) in Artemus, Kentucky to house soldiers during training missions. (C-PI)
- Construct New Barracks at WHFRTC** **\$3,000,000 FF**
This project will be 100% federally funded. This project will construct new barracks to house soldiers during their training missions at WHFRTC. (C-PI)
- Construct Road Improvements Bluegrass Station** **\$7,000,000 OT-LTF**
This project will upgrade the road system at Bluegrass Station to be able to handle large truck traffic. This will require increasing the structural integrity of roadbeds and shoulders and enhancement of storm water drainage along the roads. (C-PI)
- Construct Support Building WHFRTC** **\$2,000,000 FF**
This 100% federally funded project proposes to construct an approximately 5,000 sq ft building to serve as administrative and storage space. (C-PI)
- Construct Two MC 130 Hangars Bluegrass Station** **\$28,000,000 OT-LTF**
This project will construct two hangar buildings to repair and modify C-130's Special Operations Forces aircraft that have seen service overseas in the war on terrorism. Each hangar will be a 78,000 square foot insulated building with heating, lights and restrooms. (C-PI)
- Construct Unit Training Equipment Site WHFRTC** **\$14,000,000 FF**
This project is 100% federally funded and will provide additional training facilities and supported infrastructure needed to support military training on this site. (C-PI)

Construct WHFRTC Rail Restoration **\$3,000,000 RF/FF/OT-P**
 The scope of this project is to repair the existing railroad at WHFRTC in Greenville, Kentucky. This project will be funded 75% federal funds, 8% restricted funds, and 17% private funds. The project will include replacing railroad ties and rails to accommodate fully loaded cars waiting on delivery to be stored on WHFRTC. (C-PI)

Extension of Utilities W. H. Ford Training Site **\$2,000,000 FF**
 This 100% federally funded project will extend utility services to the unserved portions of WHFRTC. (C-PI)

Improvement of Landfill Bluegrass Station **\$5,000,000 OT-LTF**
 This project will relocate the landfill to another location on the property. The landfill is currently located on the proposed airstrip location. (C-PI)

Install Solar Energy Photovoltaic Panels **\$6,000,000 FF**
 This project proposes to install solar panels at 100% federally funded Military Affairs facilities identified as high-energy consumers. This project could significantly reduce utility costs for the Commonwealth and meet federal executive orders specifying requirements for renewable energy generation and monitored energy reduction. (C-PI)

Install Solar Panels at Armories Statewide **\$2,000,000 RF/FF**
 This 75% federal 25% state project would install solar panels on all National Guard Armories. This project could significantly reduce utility costs for the Commonwealth and meet federal executive orders specifying requirements for renewable energy generation and monitored energy reduction. (C-PI)

Replace and Repair Roofs Bluegrass Station **\$6,500,000 RF**
 Bluegrass Station facilities include over 2,000,000 square feet of roof surface that require continual maintenance and repairs. Due to the advanced age of a majority of roofs protecting the physical plant, it is imperative to protect assets stored in each building. It should be noted that in a majority of instances the dollar value of the material stored exceeds the value of the buildings in which it is housed. (C-PI)

2024-2026

Bluegrass Station Facility Maintenance Pool	\$2,000,000 RF
Construct BNGC Athletic Field	2,000,000 FF
Construct Harold L. Disney Training Site Small Arms Range	2,000,000 FF
Construct Response Group Bldg KyANG Phase 2	11,200,000 FF
JSO HVAC Upgrade	2,000,000 FF

2026-2028

Bluegrass Station Facility Maintenance Pool	\$2,000,000 RF
Construct Armed Forces Ready Center Ashland	16,000,000 FF
Construct Armed Forces Reserve Center North KY	16,000,000 FF
Construct Field Maintenance Shop Glasgow/Bowling Green	12,000,000
Construct Fire House Expansion KyANG Louisville	2,000,000 FF
Construct Readiness Center WHFRTC	20,000,000 FF
Expand Headquarters Building at WHFRTC	2,000,000 FF
Expand Troop Medical Command Clinic WHFRTC	2,000,000 FF

2020-2022 Agency Maintenance Pool Allocations
\$3,000,000 Investment Income

Richmond Roof Replacement Project	\$168,000	Completed
WHFRTC Fire Team RC Roof Replacement	32,020	Completed
Russellville Roof Replacement	143,234	Completed
Carlisle Roof Cap Sheet	110,106	Completed
Barbourville Roof Replacement	108,915	Completed
Boone Nat. Guard Center Replace Fencing and Clear Over Growth Areas	170,000	Underway
WHFRTC Rail Upgrade Project	110,000	Underway

DEPARTMENT OF MILITARY AFFAIRS
Quarterly Status Report – Current Capital Projects

Project Title	County	Authorization	Status	Percentage Complete
Armory Modernization and DMA Maintenance Pools - 2018-20 - DMA NGA Interior Upgrade	Fayette	CPBOC-1/01/20	Complete/In Warranty	100
Armory Modernization Pool - 2018-20 – DMA Leitchfield Readiness Center Assembly Hall Addition	Grayson	Pool	Complete/In Warranty	100
Bluegrass Station Building 415 Modification	Fayette	CPBOC-7/01/20	In Construction	99
Boone National Guard Center Emergency Operations Center Renovation	Franklin	CPBOC-8/01/19	Complete/In Warranty	100
Construct Industrial Building at Bluegrass Station	Fayette	2018-2020	Awaiting Initiation by Agency	
Construct Joint Force Headquarters Boone National Guard Center	Franklin	CPBOC-1/01/20	Design/Phase C	
Construct Multi-purpose Building Bluegrass Station	Fayette	2018-2020	Awaiting Initiation by Agency	
Construct Response Group Building KyANG Phase 1	Jefferson	2018-2020	In Construction	47
Construct WHFRTC Qualification Training Range	Muhlenberg	2018-2020	Design/Phase B	
Harold L. Disney Training Site Mobile Operations Urban Training Site Enhancement	Knox	CPBOC-8/01/20	In Construction	20
Indoor Firing Range, Boone Center	Franklin	CPBOC-2/01/18	Planning	
Kentucky Emergency Management Conditioned Storage/Multi-Purpose Building	Franklin	CPBOC-8/01/20	Cancelled	
Richmond Readiness Center Interior Modernization	Madison	CPBOC-6/01/20	In Construction	20
Unheated Storage and Paint Booth Combined Support Maintenance Shop	Madison	CPBOC-10/01/19	Complete/In Warranty	100
WHFRTC 1103rd Military Police/Welcome Center	Muhlenberg	CPBOC-6/01/20	In Construction	42
WHFRTC Bridge	Muhlenberg	CPBOC-10/01/19	Complete/In Warranty	100
WHFRTC Cypress Creek Restoration	Muhlenberg	CPBOC-8/01/19	Design/Phase C	
WHFRTC Fire Station Addition	Muhlenberg	CPBOC-6/01/20	In Construction	18
WHFRTC Multipurpose Athletic Field	Muhlenberg	CPBOC-6/01/20	In Construction	81

Project Status is identified as one of the following:

- Awaiting Initiation by Agency - project has not started.
- Design/Phase B - design development.
- Design/Phase C - construction document development.
- Cancelled - A decision has been made that the project will not or cannot be undertaken and if a project account was established, that account has been closed.
- Complete/In Warranty - Certification of substantial completion has been received from the A/E and the contractor warranty period has not yet expired.
- In Construction - between construction contract award and substantial completion.
- Planning - In-house activity prior to A/E selection, if the project is being financed from restricted, federal, or "other" funds, this category is not to be used until those funds have been awarded or received.

CPBOC – Project approved by the Capital Projects and Bond Oversight Committee, a statutory committee of the Kentucky General Assembly.

Pool – Project established with an allocation from the agency’s maintenance pool and/or Army Modernization Pool and reviewed and/or approved by the Capital Projects and Bond Oversight Committee.