

DH0104
Military Department – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
Havre de Grace CSMS Surface Equipment and Automotive Maintenance Facility (Harford)	\$13.120	\$23.481	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Camp Fretterd Access Control Point – Front Gate (Baltimore County)	0.000	3.386	0.000	0.000	0.000	0.000	0.000
Frederick Readiness Center Renovation and Expansion	0.000	1.227	0.000	9.110	0.000	0.000	0.000
New White Oak Readiness Center (Montgomery)	0.000	0.000	2.474	23.163	4.574	2.286	0.000
Glen Burnie Readiness Center Renovation (Anne Arundel)	0.000	0.000	0.000	0.840	7.000	0.000	0.000
Ruhl Readiness Center Renovation (Baltimore County)	0.000	0.000	0.000	0.000	1.290	10.754	0.000
Total	\$13.120	\$28.094	\$2.474	\$33.113	\$12.864	\$13.040	\$0.000

Fund Source	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
GO Bonds	\$11.649	\$0.935	\$0.593	\$6.393	\$8.219	\$7.663	\$0.000
PAYGO FF	1.471	27.159	1.881	26.720	4.645	5.377	0.000
Total	\$13.120	\$28.094	\$2.474	\$33.113	\$12.864	\$13.040	\$0.000

CIP: Capital Improvement Program
CSMS: Combined Support Maintenance Shop
FF: federal funds

GF: general funds
GO: general obligation
PAYGO: pay-as-you-go

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PAYGO Recommended Actions

1. Concur with Governor’s allowance.

GO Bond Recommended Actions

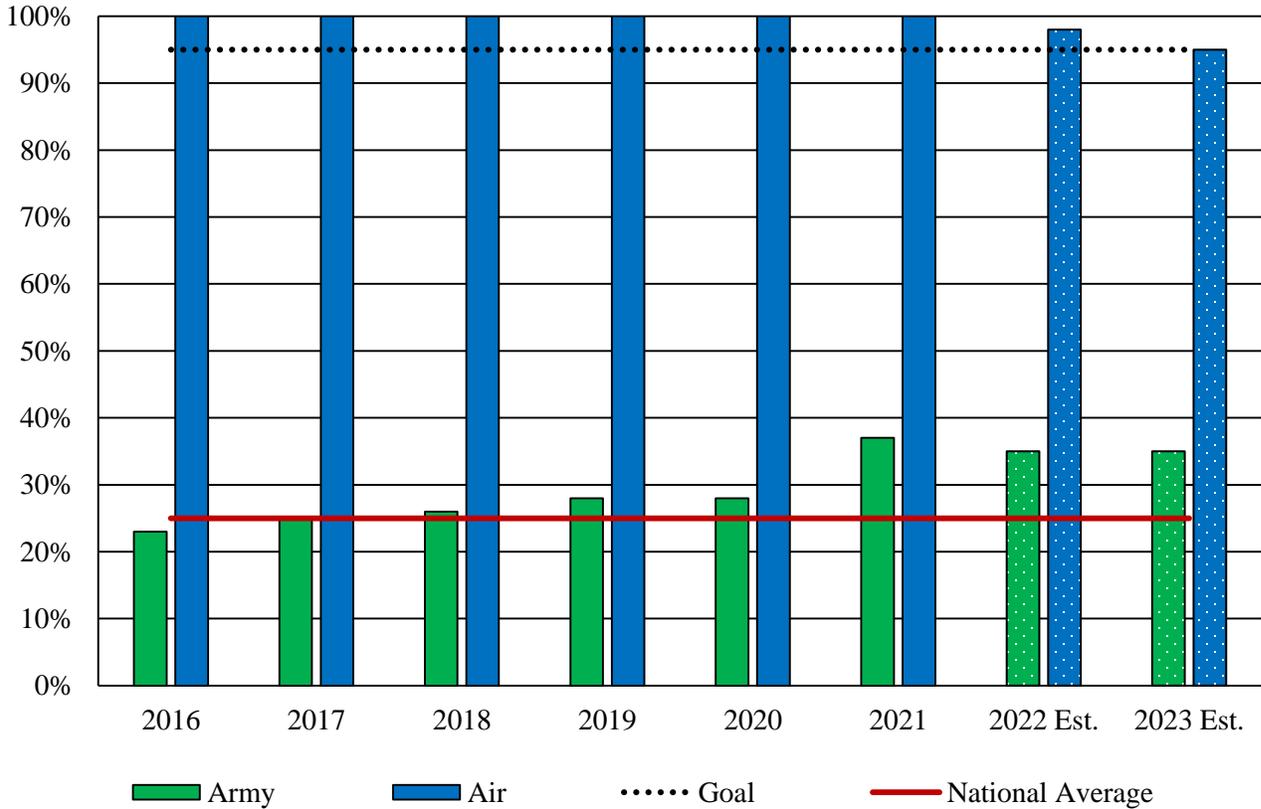
1. Approve the \$553,000 general obligation bond authorization for the Camp Fretterd Access Control Point – Front Gate project.
2. Approve the \$382,000 general obligation bond authorization for the Frederick Readiness Center Renovation and Expansion project.

Performance Measures and Outputs

All Maryland National Guard (MDNG) facilities and real property support the operational and training needs of MDNG and the ability to respond to State and local emergencies. One of the responsibilities of the Military Department is to build and maintain the armories or readiness centers and other facilities used by MDNG. MDNG has approximately 288 buildings on 3,921 acres throughout the State to support the operational and training needs of its troops. The Military Department Army Operations and Maintenance Program oversees the construction, maintenance, and divestiture of MDNG facilities. Through a cooperative agreement with the National Guard Bureau (NGB), maintenance funding is split between federal and State funds, depending on the facility.

Exhibit 1 shows the percentage of the State’s major air and army facilities that are currently in fully functional status between fiscal 2016 and 2023. While MDNG has approximately 288 buildings, only 35 facilities are considered major and shown in the exhibit. The Maryland Air National Guard facilities have consistently maintained 100% functionality in recent years. The Maryland Army National Guard facilities have improved in recent years, from 23% in fiscal 2016 to 37% in fiscal 2021. Though currently better than the national average, the percentage of Maryland Army National Guard facilities is far below the 95% goal. As the capital program is implemented and unused properties are divested, the department expects the percentage of functional properties to improve over time.

**Exhibit 1
National Guard Facilities in Functional Status
Fiscal 2016-2023 Est.**



Source: Fiscal 2023 Managing for Results

Summary of Fiscal 2023 Funded State-owned Projects

The fiscal 2023 capital budget provides \$27.2 million in federal pay-as-you-go funds for three projects: the Havre de Grace Combined Support Maintenance Shop (CSMS) Surface Equipment and Automotive Maintenance Facility project in Harford County; the Camp Fretterd Access Control Point – Front Gate project in Baltimore County; and the Frederick Readiness Center Renovation and Expansion project in Frederick County. The budget also provides \$935,000 in general obligation (GO) bond funds for the Camp Fretterd and Frederick Readiness Center projects.

Havre de Grace CSMS Surface Equipment and Automotive Maintenance Center

This project proposes to construct a new Army National Guard Surface Equipment and Automotive Maintenance Facility located at the Havre de Grace State Military Reservation. The new facility will be a total of 49,604 net square feet (NSF) and replace functionally inadequate structures that do not conform to federal National Guard standards. The facilities will include six work bays for equipment and automotive maintenance, storage areas, maintenance administrative offices, and space for meetings and personnel instruction.

The current facilities are functionally inadequate, having been repurposed from a horse racing track, and do not conform to National Guard standards. The door width and ceiling height of the automotive maintenance bays are below the required dimensions, meaning that some vehicles cannot be serviced in the maintenance bays. Other nonautomotive bays are also undersized and lack adequate safety egress margins. Further, most of the structures are more than 90 years old and lack code compliant fire suppression systems and adequate ventilation in the workshop space.

The fiscal 2023 budget authorizes \$23.5 million in federal funds to complete the design, construction, and equipping phases of this project. Previously, \$11.6 million in GO bonds and \$1.5 million in federal funds were appropriated for the project. Construction is expected to begin in June 2022 and conclude in December 2023. The previous *Capital Improvement Program (CIP)* expected construction to begin in March 2021, but construction was delayed by a request from NGB to re-bid and hold bids pending approval for six months. This delay resulted in the cancellation of \$24.5 million in previously authorized federal funds appropriated by the State in fiscal 2019. The fiscal 2023 federal funds appropriation replaces these canceled funds and fully funds the balance of the project based on the new construction bids. Total funding for the project will be \$36.6 million, consisting of \$11.6 million in GO bonds and \$25.0 million in federal funds.

Camp Fretterd Access Control Point – Front Gate

This project proposes to construct a new access control point at the Camp Fretterd Military Reservation in Reisterstown. The new access control point will be a total of 2,870 NSF and is necessary because the current complex lacks an adequate vehicle inspection area, an adequate guard booth, passive and active anti-terrorism/force protection structures, a backup generator, and proper setback for vehicles entering the site.

The Camp Fretterd Military Reservation has several tenants, including NGB, the Maryland Defense Force, the Maryland Department of Emergency Management (MDEM), and the U.S. Marine Corps Reserve (USMCR). Additional tenants are anticipated in the near future as USMCR is planning on building a new facility on the site, and MDEM is designing an expanded headquarters. The current access control point does not meet several modern security requirements, does not have a safe turnaround lane for vehicles that must be turned away or re-routed, and the current configuration causes traffic backups onto nearby MD Route 30.

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The fiscal 2023 budget authorizes \$553,000 in GO bonds for design and construction and \$2.8 million in federal funds to complete the design, construction, and equipping phases of this project. Total funding for this project will now be \$3.4 million, with construction is expected to begin in September 2022 and conclude in July 2023. This project was originally authorized in the fiscal 2018 capital budget. However, the \$2.5 million in anticipated Unspecified Minor Military Construction federal funds were not awarded at that time, and the State appropriation of these funds was canceled. The Military Department was made aware that the project was selected for Unspecified Minor Military Construction funding during spring 2021, and the amount budgeted in fiscal 2023 provides the necessary funds to complete the project.

Frederick Readiness Center Renovation and Expansion

This project proposes to renovate and construct an addition to the Frederick Readiness Center. The current facility is 15,677 NSF, and the addition will add 1,900 NSF. The planned renovations will support approximately 131 soldiers and includes HVAC upgrades, a new roof, and a fire suppression system. The facility will also be tied into the Frederick County public sewer system, and an existing classroom will be expanded.

The current facility is over 40 years old and has received no major renovations in that time. The building has no fire suppression system, a failing sewer system, and some elements of the building fail to meet current Maryland Army National Guard facilities standards. As the electrical systems were not designed for modern computer usage, electrical wiring must also be upgraded; current strain on the electrical system poses a significant fire hazard.

The fiscal 2023 budget authorizes \$382,000 in GO bonds and \$845,000 in federal funds to begin the design of this project. Design is expected to begin in December 2022 and conclude after 14 months. Construction is expected to begin in June 2024 and conclude in December 2025. Total funding for this project is estimated at \$10.3 million, which includes \$4.1 million in GO bonds and \$6.2 million in federal funding. Construction funds are now anticipated in fiscal 2025. This total is more than double what was planned in the previous CIP, which significantly understated the estimated square foot (SF) renovation costs. The Military Department and the Department of General Services (DGS) are updating the Part II plan to keep the project under the funding limit, as the federal fund source restricts awards to 75% of building replacement value. The federal funding plan includes a mix of Military Construction funds for new construction that come with a 25% State match and Facilities Sustainment, Restoration, and Modernization funds that require a 50% State match.

Issues

1. Aligning Federal Fund Sources with the State Budget

As discussed, the fiscal 2023 allowance includes \$23.5 million in federal funds for the Havre de Grace CSMS Surface Equipment and Automotive Maintenance Facility project and \$2.8 million in federal funds for the Camp Fretterd Access Control Point – Front Gate project. Both projects had previously been authorized to use federal funds *that have since been canceled*. Since last year’s CIP, the Havre de Grace project lost access to \$24.5 million in previously appropriated federal funds. The department also expected that the Camp Fretterd project would have access to \$2.5 million in federal funds authorized in the fiscal 2018 budget, but these funds were canceled as well.

The Military Department should comment on the actions it takes to align the availability of federal funds with the State budget process.

2. Recent and Pending Facility Divestitures

The Military Department has one facility that was recently divested: the Baker Training Site in Allegany County. This site included a parcel of 1,000 acres and 26 buildings and was divested in September 2021, following the end of a lease with the Department of Natural Resources (DNR). The department has six facilities that are pending divestiture as of January 2022:

- ***Cascade Readiness Center (Washington):*** The 22,904 SF facility will be transferred to the Department of Defense (DoD), pending a DoD license termination.
- ***Catonsville Readiness Center (Baltimore County):*** The 29,127 SF facility has a potential solicitation for sale. Both the county and the University of Maryland Baltimore County declined, but DGS has identified an interested party.
- ***Ellicott City Readiness Center (Howard):*** The 17,676 SF facility is being acquired by Howard County. DGS is managing the acquisition and the county is currently executing an environmental study.
- ***Greenbelt Readiness Center (Prince George’s):*** The 30,500 SF facility is pending acquisition by the City of Greenbelt.
- ***Pikesville Military Reservation (Baltimore County):*** An environmental study by Baltimore County and the Pikesville Armory Foundation (PAF) is currently beginning for the 247,722 SF facility.
- ***Queen Anne Readiness Center (Queen Anne’s):*** The 22,336 SF facility is pending acquisition by DNR. DNR is currently completing an environmental study.

Pikesville Military Reservation

For several years, the Military Department has been working to divest the Pikesville Armory in Baltimore County, a 14-acre parcel upon which the Pikesville Readiness Center and six other structures are located. The property was deemed surplus in 2016 and later subjected to a two-year review by a commission appointed by the Governor to review the disposition and future use of the site.

By statute, Baltimore County has the right of first refusal to purchase the property at fair market value. Initially, the county notified DGS that it was not interested in acquiring the property, in part due to the extensive environmental remediation likely required prior to any redevelopment of the site. Consequently, DGS began the solicitation of private bids via a request for proposals to dispose of the property through a fee simple sale subject to restrictive covenants and potential historic preservation easement. More recently, however, the county advised DGS that it is now interested in partnering with PAF to purchase the property.

The department reports that Baltimore County and PAF are now funding multiple studies, including an environmental study and a series of architectural and engineering studies of the property. The fiscal 2022 capital budget included a \$1.0 million capital grant for PAF to acquire and redevelop the property. There is a \$2.5 million capital grant included in the fiscal 2023 proposed budget for PAF to redevelop the armory as well, which was preauthorized in the fiscal 2022 capital budget. This grant will be discussed further in the capital budget analysis for Miscellaneous Grant Programs – ZA00.

The Military Department should comment on the current status of and plans for the Pikesville Armory divestiture.

Updates

1. Transfer of Maryland Emergency Management Agency Headquarters Renovation and Expansion Project

Chapter 287 of 2021 renamed the Maryland Emergency Management Agency (MEMA) as MDEM and authorized the transfer of MEMA’s budget from the Military Department to MDEM. As such, the programmed renovation and expansion of the MDEM headquarters is now programmed under MDEM and no longer included in the Military Department budget. The fiscal 2023 capital budget includes a total of \$23 million of GO bonds for design and construction of the project, including \$9.0 million in fiscal 2023 to commence the construction phase.

Summary of Out-year Projects in the CIP

The 2022 CIP includes out-year funding for three projects:

- ***White Oak Readiness Center (Montgomery):*** This project will construct a new facility to replace the current White Oak Armory, which has insufficient space for two Army National Guard units. Planning funds will be appropriated beginning in fiscal 2024, and construction will begin in fiscal 2025.
- ***Glen Burnie Readiness Center Renovation (Anne Arundel):*** This planned renovation will support 131 soldiers. Renovations will replace the facility’s HVAC system, roof, plumbing, and structural damage. Planning funds will be provided in fiscal 2025, and construction will begin in fiscal 2026.
- ***Ruhl Readiness Center Renovation (Baltimore County):*** The planned renovations will support 249 soldiers and includes HVAC and restroom upgrades and parking lot repairs. The project will also renovate bathrooms, showers, and locker rooms. Design funding is anticipated to be provided in fiscal 2026, and construction funding is anticipated in fiscal 2027. The estimated cost totals \$12.0 million, a notable increase from the \$4.5 million planned in the previous CIP. Increased funding is reflective of a larger project scope.