

TESTIMONY OF
BILL PETERSON, DIRECTOR
STATE HISTORICAL SOCIETY OF NORTH DAKOTA
SEPT. 2, 2026

Regarding Senate Bill 2407

Good morning, Mr. Chairman and members of the committee. For the record, I am Bill Peterson, Director of the State Historical Society of North Dakota. Thank you for the opportunity to address you today and take the Military Gallery into consideration during this special legislative session.

As you recall, the concept of the Military Museum began when the 67th Legislative Assembly granted the North Dakota National Guard Foundation authority to fundraise for a North Dakota Military Museum under House Bill 1016.

A Memorandum of Agreement was entered by the State Historical Society and the Office of the Adjutant General in October 2022 and the formation of the Joint Military Museum Advisory Committee (JMMAC) soon followed to provide oversight and collaboration for the project. The committee has representatives from the Governor's Office, Office of Management and Budget, Office of the Adjutant General, State Historical Society and our Foundation, and the North Dakota National Guard Foundation.

In the 68th Legislative Assembly, the project was carried by the Office of the Adjutant General in Senate Bill 2016 but ultimately transferred to the State Historical Society of North Dakota budget at the end of session. During that session, a \$20M line of credit through the Bank of North Dakota with the "intent that the State Historical Society request funding from the 69th Legislative Assembly from the legacy earnings funds to repay the line of credit," as per Senate Bill 2018. It was also recommended during the 68th session that the facility be located on the grounds as an addition to the current North Dakota Heritage Center & State Museum. The initial concept design was approved unanimously in 2023 by the Capitol Grounds Planning

Commission and in August 2024 the commission unanimously approved the architectural design development drawings.

During the 69th Legislative Assembly, funding was requested to construct a 67,000-square-foot addition to the ND Heritage Center & State Museum that would include a 20,000-square-foot state-of-the-art military gallery, a regimental room seating up to 400 guests, an expanded restaurant with a North Dakota flavor, and an expanded amphitheater.

The project was appropriated an overall budget of \$78M.

- \$15M from the state Strategic Investment and Improvements Fund
- \$20M line of credit from the Bank of North Dakota
- \$4.2 million to repay a prior Bank of North Dakota line of credit for costs incurred for the design of the Military Gallery expansion during the 2023-25 biennium
- Authority for \$38-\$40 million in a private fundraising campaign by the ND National Guard Foundation.

All with the understanding that the \$15M SIIF dollars could be accessed upon certification to the Office of Management and Budget that at least thirty-three percent of the donations had been pledged from nonstate sources.

Following session, the JMMAC met on May 21, 2025 to discuss the path forward. Reviewing the information we had at the time, moving ahead with construction appeared viable.

- Favorable fundraising forecast, \$7.75M in pledges had been secured. PACE Fundraising indicated 90% confidence in reaching the \$12.8 M to unlock SIIF by July 1, 2025
- Available \$20M line of credit through Bank of North Dakota
- Favorable construction forecast and estimates
- And the idea of construction financing when needed

In that meeting the JMMAC unanimously voted to proceed with the Military Gallery project as planned. Construction bids were advertised by Kraus

Anderson in late May and June, results were reviewed with Brandon Solberg, Tom Job, and myself. We were overwhelmingly encouraged by the bids, with work starting sooner than later. Again, another indicator that this was the time to proceed.

Construction on the project began in August 2025 while fundraising efforts continued, and we accessed the \$20M line of credit.

When I briefed the Legislative Budget Section Dec. 10, 2025, fundraising pledges were upwards of \$9.2M, while slower than expected, things were still moving in the right direction.

In February 2026, a donor rescinded a large pledge. The fundraising campaign dropped to \$4.2M. PACE Fundraising assures us there are 65 conversations currently happening with the potential of \$75M on the table.

As we began discussions to secure construction financing. We looked into options of the State Historical Society holding the loan, then both foundations of the North Dakota National Guard and State Historical Society, and other community options. After a number of meetings, none of these options were available, bringing me to the decision to pause construction on July 3, 2026. Construction contracts are carefully crafted to accommodate pauses like this. Exercising the pause did not breach the contract.

Since July 1 the project has incurred \$5.35M in expenses, including unpaid invoices, interest, electrical equipment and prefab components already on order, and monthly pause costs.

That is a recap of what brings us here today.

The State Historical Society, Office of Adjutant General, State Historical Society Foundation and National Guard Foundation and our partners are seeking a path forward to resume construction. We stand firm in our belief that we are facing a timing issue in philanthropical giving, not an issue with project viability.

Senate Bill 2407's proposed \$35M Bank of North Dakota line of credit fills the timing gap. The fundraising team remains optimistic that this campaign is winnable.

Last week, 90-year-old Col. (Ret.) John Jacobsen came to see me. He handed me a personal check for \$1,000 and told me he hoped to see this project finished before he died. He knows first-hand the sacrifices veterans make. I'm reminded that there are 4,000 names on the Veterans Memorial on the Capitol Grounds. Those North Dakotans answered the call to serve, and I owe it to them—and to every veteran still with us—to complete this project and ensure their stories are preserved with the respect and permanence they deserve.

This addition is as much about the future as about the past. It will honor those who have served, educate everyone about the importance of the military in North Dakota, and inspire future generations to pursue careers in the military. History teaches us that you cannot be what you cannot see. It will contribute immeasurably to North Dakota's goal of being the most military friendly state in the union.

In conclusion, I suspect all of you are as impacted by the military in your daily lives as I am. Board member Alan Svanes, who has twice signed the papers so two of his children, Ella and Levi, could join the National Guard before they turned 18. State Historical Society Public Information Officer Kara Burrer spent years babysitting her favorite cousin, Tyler Orgaard, before he joined the National Guard and was later killed in Afghanistan in December 2012 at the age of 20. Head of Security David Schlecht recently attended his son Ethan's Marine Corp boot camp graduation. A year ago, I took Private Henry Gurke's Medal of Honor to Neche for a highway dedication in his name. Although he died more than 80 years ago and virtually no one in that community could have remembered him, they formed a receiving line and each one walked past his medal and paid their respects like he was just being laid to rest. When extreme weather events, flooding and wildfires threaten our historic sites and homes, we turn to the North Dakota National Guard. While

some try to convince me otherwise, the majority of people who have learned about the project or visited the Heritage Center encourage me to continue. I fully intend on keeping my promise to the National Guard and seeing this project through to its conclusion.

This evening we invite all legislators to an open house style tour of the military expansion construction. Between 5:30 and 8 p.m., gather in the Missouri River Events Center at the West Entrance of the North Dakota Heritage Center & State Museum. Site ushers, wearing fluorescent safety vests, will assist with wayfinding outside to view the ground floor of the construction. Please consider appropriate footwear, as you will be navigating uneven dirt surfaces. Walls are up and groundwork is being laid to support the Minute Man missile Senator Cramer helped secure. You will see that a portion of the Euphrates River is trenched in where the bridge boat used by the 957th under mortar fire during Operation Iraqi Freedom will be exhibited. You will see the expansion is so much more than a hole in the ground.

Thank you for your consideration. I am now available to answer any questions.