

**1999 SENATE APPROPRIATIONS**

**SB 2220**


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2220

Senate Appropriations Committee

Conference Committee

Hearing Date January 27, 1999

Tape Number	Side A	Side B	Meter #
2	x		877-3600
2/2/99 1	x		4,500
Committee Clerk Signature 			

Minutes:

**SENATOR WAYNE STENEHJEM:** District 42, to testify in support of SB 2220: Expressed gratification of Ralph Engelstad's donation of \$100M to UND. \$50M is to be used for construction of a hockey arena on the Bronson property. SB 2220 would authorize the transfer of the land to the University Foundation. Letters of concern from local property owners are being answered. (tape 930-1159)

**SENATOR NAADEN:** Is this out of the flood plain?

**SENATOR STENEHJEM:** It depends on what happens with the dike.

**KENDAL BAKER:** University of ND, President, noted benefits of the Engelstad gift to UND. (tape 1300-1875)

**EARL STRINDEN:** Executive Vice President of UND Foundation, to testify in support of SB 2220. He presented a December 10 letter from Engelstad to Governor of ND stating he wants this to be a gift to the citizens of ND, and not just to UND. It is his wish to donate a 12,000 seat hockey arena, to be under construction soon and to serve UND, ND, and northwestern MN. He has asked for the Governor's leadership and actions necessary to realize benefits of donation. The UND Foundation is asking consideration of the bill. There is a proposal for an amendment which adds to the University Foundation the words "or other entity. Senator Stenehjem, as prime sponsor, will offer this amendment.

**SENATOR NETHING:** The majority leaders of the House and Senate have taken the position that any new buildings would have to reflect the ability to maintain the premises throughout the life of the building. Are there provisions for funding for the operation maintenance upkeep of the arena?

**EARL STRINDEN:** No. The university is working on the numbers - the revenues and other activities that can come in. Revenues will have to be generated; we do not expect ND to pick up the costs.

**SENATOR BOWMAN:** In the question dealing with liquor, I understand your point on non college functions. About those retail stores on university property, that is my concern. This is the segment that we don't agree on.

**SENATOR KRINGSTAD:** What is the intent of the use of the present facility, the current sports facility, that you have? (tape 2360)

**KENDAL BAKER:** A variety of possibilities. One is that it could be converted into a basketball arena, but I'm not sure of the costs involved. It does need to be upgraded and updated. It could also be used for increased use for recreational purposes, or other programs being talked about, such as a women's hockey program. Which use we choose will depend on available funds, interests, etc.

**EARL STRINDEN:** The current facility cost about \$3M - 2/3 of it is private money. Now we are talking about a facility costing \$50M.

**LARRY ISAAC:** Chancellor of the university system to testify in support of SB 2220. We have been working with UND and the foundation on this legislation. They have kept us up to date, advised us on how to structure this legislation, and to move forward. We have discussed the possibilities of other entities. There is an agreement between NDSU, the Board of Higher Education, and the Dome Authority. I think we should leave options open and have the bill provide that option. The Chronicle of Higher Education contained a full page article pertaining to the gift. Below that they had a ranking of gifts given to universities since 1967, and this was in the top ten, giving ND recognition. (tape 2624-2880)

**SENATOR ANDRIST:** Is the intent of the cost of operation going to be by the foundation or another entity, so in a sense it could become off budget by the university?

**LARRY ISAAC:** I don't know what the intent is yet, but I think we need to have all options open.

**SENATOR ANDRIST:** If it were our intent that it be this way, would it create a significant problem for you, if we wrote a provision of legislative intent into this?

**LARRY ISAAC:** At this point, we don't even know if we can pull an authority like this together. There have been no discussions. My view is to leave the option there, but not specify it.

**SENATOR ANDRIST:** We share your exhilaration of the Grand Forks community over the magnitude of this gift, but we have to figure out what we are taking to the state of ND in the operation of this thing.

**LARRY ISAAC:** I think we have heard the concerns about maintenance very clearly.

**SENATOR KRINGSTAD:** Is there an estimate of the square feet of the building?

**EARL STRINDEN:** The architects' estimate is 240,000 sq. ft, about half the size of the Fargo Dome. A comment about adding language. I was hoping we wouldn't do that at this time. The legislature has a right to and will request any information regarding the cost of maintenance of any facility in ND that is on public property. Therefore, at any time, a legislature can reduce or increase budgets - by line item. And I think you can control the flow of funds into maintenance and utilities any time that you wish. So I would respectfully ask that you do not attach legislation at this time, but leave the flexibility.

**KENDAL BAKER:** The architect would like to answer Senator Nething's question about the flood plain.

**SCHOON:** (Architect), The facility is out of the 100 year flood plain - all of Grand Forks is in the 500 year flood plain.

**SENATOR GRINDBERG:** Do you have an estimate per square foot cost for annual operating expense?

**SCHOON:** Not at this point. There are many unresolved issues at this time.

**SENATOR NETHING:** Closed the hearing on SB 2220. (tape 3600)

2/2/99

tape 1, side A 4500

**SENATOR NETHING:** Reopened the hearing on SB 2220 and called for the motion on the amendment

**SENATOR HOLMBERG:** Moved do pass on the amendment to SB 2220

**SENATOR ANDRIST:** Seconded the motion

**ROLL CALL: 14 YEAS**

**MOTION ON THE AMENDMENT TO SB 2220 PASSED**

**SENATOR NETHING:** Called for the motion on SB 2220 as amended

**SENATOR ST. AUBYN:** Moved do pass SB 2220 as amended

**SENATOR TALLACKSON:** Seconded the motion

**ROLL CALL: 14 YEAS**

**MOTION CARRIED ON SB 2220 AS AMENDED**

**CARRIER: SENATOR ST. AUBYN**

**SENATOR NETHING:** Closed the hearing on SB 2220 (2/2/99 tape 4500)

Date: 2-2-99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2220

*Amend*

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number 90456.0101

Action Taken DO PASS

Motion Made By SENATOR HOLMBERG Seconded By SENATOR ANDRIST

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 2/2/99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2220

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken NO PASS AS AMENDED

Motion Made By SENATOR ST. AUBYN Seconded By SENATOR TALLACKSON

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Sen. St. Aubyn

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

SB 2220: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2220 was placed on the Sixth order on the calendar.

Page 1, line 6, after "foundation" insert "or other entity"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

SENATE - This amendment allows the University of North Dakota to enter into an agreement with an entity other than the University of North Dakota Foundation for the operation and maintenance of a proposed winter sports facility.

**1999 HOUSE APPROPRIATIONS**

**SB 2220**



1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2220

House Appropriations Committee

Conference Committee

Hearing Date March 8, 1999

Tape Number	Side A	Side B	Meter #
2	x		6.0-17.3
Committee Clerk Signature <i>Paulette Gussias</i>			

Minutes:

A Bill for an Act to authorize construction of a winter sports facility at the university of North Dakota; and to declare an emergency.

6.0 Chairman Dalrymple opened hearing on SB 2220. All members present.

6.1 Ken Baker (President of UND) presented the bill.

6.9 Earl Strenden (CEO University of ND Foundation) testified in support of SB 2220.

12.3 Rep. Gulleason asked if they had the money in hand. Mr. Strenden stated that they don't but the commitment is solid.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2220

House Appropriations Committee

Conference Committee

Hearing Date March 16, 1999

Tape Number	Side A	Side B	Meter #
1	x		14.0-31.4
Committee Clerk Signature <i>Roxanne Kone</i>			

Minutes:

Chairman Dalrymple opened the discussion on Senate Bill 2220.

**1A: 14.5 Rep. Delzer** presented amendment 90456.0201 to the committee. Brief explanation of amendment: try to protect state from having large operation/maintenance costs to maintain buildings built by donor money. Example: Barnes & Noble Bookstore.

**1A: 15.8 Rep. Svedjan** commented on concern of amendment being adopted that it should imply costs should be taken on by university not the donor foundation.

**1A: 16.7 Rep. Delzer** commented university should have an account/fund from revenue to take on responsibility of operation costs of building.

**1A: 17.9 Chairman Dalrymple** asked if his concern is for the state having to pick up the tab regarding operational costs. Replied yes.

**1A: 18.5 Rep. Poolman** urged committee to resist amendment. Commented it would be wrong of the state legislature to turn their back on the donor. No one is saying that the state has to pick up the operational costs. Commented he had spoke with some one involved with the project who noted the revenues can help pay for those costs.

**1A: 19.9 Rep. Timm** commented the donation is \$100 million and the building is only going to cost \$50 million. Replied the extra money/interest built on money should help with expenses.

**1A: 20.7 Rep. Monson** asked who gets the revenue from events held at the building. Rep. Dalrymple replied he didn't have an answer but thought it would possibly go to a special fund.

Page 2

House Appropriations Committee

Bill/Resolution Number 2220

Hearing Date March 16, 1999

**1A: 24.7 Rep. Delzer** asked about current arena maintenance/operational costs. Rep. Svedjan replied the structure was built partly by donor and student money. Not sure how it is being maintained. Further commented that he deals with donors on a personal basis. On his experience he commented that it would be unwise to do something that would in anyway interfere with the donors intent.

**1A: 28.5 Rep. Wentz** commented that she would oppose amendment. The amendment could have a chilling effect on contributions of this kind to the university system. Wouldn't like to see the state do anything to jeopardize contributions now or in the future.

**1A: 29.5 Chairman Dalrymple** asked the committee how many would like to see something done relating to operating expenses and donations.

On a Roll Call vote, amendment 90456.0201 failed.

9 voting Yes

10 voting No

1 voting Absent

Chairman Dalrymple asked Rep. Poolman, Rep. Delzer, and Rep. Svedjan to come up with acceptable language regarding an amendment for the bill.

There was no further action taken on the bill.

### General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 18, 1999			
Tape Number	Side A	B Side	Meter #
1	x		35.0-end
1		x	0-5.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

#### SB 2220

**CHAIRMAN DALRYMPLE** opened discussion on SB 2220.

**1A: 35.0 REP. POOLMAN** said that there is much concern in his district that if the proposed amendment is adopted it may attract negative light from the donor of the \$50 million.

**1A: 36.3 CHAIRMAN DALRYMPLE** reviewed the language used in the proposed amendments 0202.

**1A: 38.4 REP. HOFFNER** asked where the receipt dollars from the sports facility would go. Rep. Poolman replied that they would go toward maintaining the building.

**1A: 39.9 REP. CARLSON** asked if the language of the amendment implied the assumption that the facility would be operating at a loss. There was discussion that the language may have to be changed in the amendment.

**1A: 42.4 REP. LLOYD** asked if student athletic fees will apply to this building, and if they will increase more than usual because of this. Rep. Poolman responded that the students voted to keep a \$5/semester athletic fee which goes to different things, and they receive free admission to hockey games.

**1A: 44.4 REP. DELZER** said he likes the idea of a reserve fund, especially in this case.

**1A: 46.5 REP. HUETHER** said that money would be saved if a construction engineer had to be on-site during the construction of the building.

**1A: 47.5 REP. POOLMAN** said the big question is whether the state is going to be responsible for keeping up a building which was built with money donated to the state. Will it be legislative policy to continually maintain such buildings, or will they discuss such situations case by case? Rep. Svedjan responded that this is a unique situation. He discussed the donor and the donor's wishes.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2220

Page 1, line 10, replace ", and to provide for its" with ". The state board of higher education shall ensure that all expenses associated with the facility's"

Page 1, line 11, after "management" insert "are the responsibility of the university of North Dakota foundation"

Renumber accordingly

Date: 3.16.99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2220

House Appropriations Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number 90456.0201

Action Taken \_\_\_\_\_

Motion Made By Delzer Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple		✓	Nichols	✓	
Vice-Chairman Byerly		✓	Poolman		✓
Aarsvold			Svedjan		✓
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson	✓	
Carlson	✓		Wentz		✓
Carlisle		✓			
Delzer	✓				
Gulleson	✓				
Hoffner	✓				
Huether		✓			
Kerzman		✓			
Lloyd		✓			
Monson		✓			

Total (Yes) 9 No 10

Absent 1

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

FAILED

Date: 3-18-99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2220

House Appropriations Committee

Subcommittee on \_\_\_\_\_  
or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Byerly Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	✓		Nichols	✓	
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold	✓		Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson	✓	
Carlson	✓		Wentz	✓	
Carlisle	✓				
Delzer	✓				
Gulleson	✓				
Hoffner	✓				
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) 20 No 0

Absent \_\_\_\_\_

Floor Assignment Poolman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
March 18, 1999 1:02 p.m.

Module No: HR-49-5080  
Carrier: Poolman  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

SB 2220, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman)  
recommends **DO PASS** (20 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed SB 2220 was placed on the Fourteenth order on the calendar.