

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1020

2005 HOUSE APPROPRIATIONS

HB 1020

the major goal s and objections of this agency (meter #23.2) and the graph depicting State Agency Financial Auditor Turnover Percentages (page 3 of the handout).

Parks and Recreation - Testifying was Doug Prchal HB1620

Mr Prchal reviewed the variances from handout #4-3 (attached).

Rep. Ken Svedjan, Chairman asked if this difficiency appropriation was the one appropriated in the 03-05 Assembly or if it was being asked of this Assembly. **Mr Prchal** answered that it was appropriated in 03-05. **Rep. Ken Svedjan, Chairman** clarified that if this bill doesn't pass in the Senate (SB2145), then these FTE's will be removed. **Mr Prchal** agreed. **Rep. Ken Svedjan, Chairman** asked where the carryover that was listed cam from. **Mr Prchal** clarified that the work at Lake Sakakawea would continue and funding would come from projects that were scheduled but not done. The projects will carryover into the next biennium, but the monies would not. **Mr Prchal** finished his overview by asking the representatives to read through the section concerning the goals and objectives of the agency.

HB1806

✓ **Tax Commissioner - Testifying was Mr Rick Clayburgh** (meter #41.4)

Mr Clayburgh reviewed the negative variances dipicted on handout #4-4 (attached).

Rep. Ken Svedjan, Chairman asked if the increase in spending in the budget was part of the Governor's recommended budget that reflected how the governor wants to change the Homestead Tax Credit program? **Mr Clayburgh** answered yes and stated that a bill regarding eligibility would be forthcoming. In response to a statement regarding the difficulty in hiring qualified employees, **Rep. Mike Timm, Vice Chairman** asked how state agencies could be competing for employees if all positions were

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date January 13, 2005

Tape Number
1

Side A

Side B
x

Meter #
0 to 23.7

Committee Clerk Signature



Minutes: Chairman Martinson opened the hearing on HB1020.

Doug Prchal, director of North Dakota Parks and Recreation Department. I am here to speak on behalf of the department. The International Peace Garden is also included as a pass through operation line in our budget. John McQueen is here to speak to details on that budget following my presentation. (See attached written testimony A1020). Would like to discuss a couple of items we did not cover last week when we were here. Reference handout for spreadsheet titled NDPRD Base budget staff hours. This gives an overview and some background for staffing hours. We are short basically 28,000 staff hours with regards to meeting basic minimum needs. Visitation was down 3% in 2004 however since 2003 was a record year with an 8% increase we are comfortable with the end result. Executive recommendation adjustments presents a 1% increase in General Fund, a reduction of 5% in special funds and an increase in federal funds of 4%. Capital projects relates to nine projects. (See attached written

testimony A1020) A summary sheet entitled 2005-2007 Capital Assets Line Recommendation highlights those projects and others.

Rep. Wald We see boat ramp improvements in Game and Fish and in your budget. Shouldn't those boat ramps be a Game and Fish obligation?

Doug Prchal Their funds provide assistance across the lake and other lakes. The complicating factor is that we charge fees. Their dollars come from federal funding that preclude access fees.

Rep. Wald The Feds preclude you from doing certain things and the Feds preclude Game and Fish from doing certain things, correct?

Doug Prchal Yes, that's correct. The breakdown of the capital project list really shows about a 25% General Fund allocation and the balance of that total is federal or special funds. Provided staff summary sheet for more detailed reference primarily to justify our presentation here. Rising water on Devil's Lake and low water on Lake Sakakawea complicates our lives. Devil's Lake is a great resource for the state, as is Lake Sakakawea. Having parks on those lakes and having a pool of revenue, high water in Devil's Lake with that road in jeopardy and having low water at Lake Sakakawea will have an impact on our parks system overall. We have been blessed with a really dedicated visitorship that come to those places regardless of condition. If we can't retain access, in the case of Devil's Lake, we simply have to close that facility.

Rep. Aarsvold You anticipate about \$100,000 in FEMA funds next biennium. Are those still a consequence of the Turtle River problem?

Doug Prchal That was put in there in anticipate of closing out of Shelters Grove another one of the places at Devil's Lake that was inundated. It is for the Devil's Lake area. We are closing out the Turtle River project.

Rep. Aarsvold The Turtle River damage is all repair?

Doug Prchal Correct. We just struggled to get FEMA to repay us.

John McQueen, Executive Director International Peace Garden The package you have received in three parts (See attached B1020). A pamphlet advertising promotion for the Peace Gardens, buff papers give information about the Peace Gardens, our request for funding and some statistics. Request is in two parts. One is what we normally receive from the state, \$173,176 US and the second request of a one time \$250,000 for use in furthering the International Peace and Conflict Resolution Center project. (See attached book C1020). Would also like to thank the Legislature for the things the state does for the Peace Gardens.

Chairman Martinson I have thought for along time that you need to do other things with the Peace Garden, especially for children. It is a beautiful park but not much for children. I'm not convinced for what I know about the Peace Center that that's the right project. Does this book have more information that tries to convince people of that?

John McQueen This is the business plan that was developed. It is not loaded with propaganda but it certainly does give the background. You are quite right, it is not a program for children.

Rep. Wald Are you a US citizen?

John McQueen I'm a Canadian.

Rep. Wald What kind of groups, if this goes forward, would come to resolve their conflicts?

John McQueen No specific groups designated. It really depends on funding. \$25,000,000 US is the ballpark figure. Design would be there to handle something of a high level such as the Israeli's and Palestinians. At the bottom end, there are both small rooms and larger rooms for smaller and more individual conflicts.

Rep. Wald Nearest airport would be Minot?

John McQueen The Peace Garden has a 3,000 ft. runway that will take a small jet. The next one to the south would be Minot.

Rep. Wald How far along are you in this concept?

John McQueen What you have here is the business plan. The next step, which is estimated in excess of \$250,000, is to get the architects plans which would give us a good handle on the cost. Next would be a fund raising program where we would contact individuals and the two levels of government on the US side and the two levels of government on the Canadian side.

Chairman Martinson I can't see that international people, if they are involved in a conflict, would come to a place where there aren't the facilities - don't have the hotels, the restaurants, don't really have an airport or required security. I would be all for doing something for the Peace Garden to help attract visitors but I don't see that is the type of thing would work. But I will read you document.

John McQueen In regards to accommodations, you are probably right. With security, it is actually easier in the Peace Garden because access is so limited. That's what we've been told.

Chairman Martinson Burdick Center is a really classy facility that is not being used to it's fullest.

John McQueen Good questions. There are some major problems. One that keeps coming up, what is a realistic revenue? Number very hard to predict.

Rep. Rennerfeldt Does the fast changing exchange rate between the dollar and Canadian dollar have any effect on your operation up there?

John McQueen We have American accounts and Canadian accounts. Once or twice a year we have had to transfer \$40,000 or \$50,000 from the American side to the Canadian side because of the way the expenses fell. It usually does not really effect us.

Lt. Governor Dalrymple Wanted to comment on the Peace Center. We have a dilemma, not sure what to do. At this point the Canadians seem to be more enthusiastic about the Peace Center than the Americans are. When we had the 911 memorial service up there, a lot of people came in from Brandon and Winnipeg. The word we got is that the Canadian Federal Government may be considering a major appropriation for the Peace Center. The government of Manitoba says that they are going to put up a substantial amount of money. So we did not want to appear not enthused about the idea. If people want to invest \$15,000,000 up there we wanted to show that we are certainly going to do our best. That's the rational behind of what would be a gesture to this project. Some comment was made that this money would go towards a fund raiser. We would not be in favor of that. We think it should be contingent on it being the actual project. Maybe the Legislative Council could check with Manitoba and Ottawa and see if they have anything planned.

Chairman Martinson We will have a subcommittee on this. Meeting closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date February 10, 2005

Tape Number
1

Side A
X

Side B

Meter #
3.4-5.4

Committee Clerk Signature

Robin Runley

Minutes: Chairman Martinson opened hearing on HB1020. We took \$250,000 out of the Peace Garden initiative, all of the money for the Elk Horn Ranch, we added in \$450,000 for those grants that I talked to you about. We are proposing additional cuts of \$160,000 for Fort Stevenson State Park, \$145,000 for Lake Sakakawea and another \$55,000 for Lake Sakakawea for two different areas on repairs that they needed.

Vice Chairman Brusegaard I would like to point out to the committee that these are capital improvement projects that didn't have any matching funds attached. Capital projects in their budgets accessing matching funds we left all those projects in.

Rep. Aarsvold Elk Horn Ranch - can you clarify that?

Chairman Martinson They're synonymous. They use both terms.

Vice Chairman Brusegaard I make a motion to accept amendments.

Rep. Wald Second.

Page 2

Education and Environment Division

Bill/Resolution Number HB1020

Hearing Date February 11, 2005

Voice vote on amendments carries.

Vice Chairman Brusegaard Motion to Pass As Amended.

Rep. Wald Second

**VOTE 6 YES and 0 NO with 0 absent. DO PASS AS AMENDED. Rep. Aarsvold will carry
the bill to the full committee.**

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020
State Auditor

House Appropriations Full Committee

☐ Conference Committee

Hearing Date February 15, 2005

Tape Number
5

Side A
X

Side B

Meter #
#38.9 - #47.5

Committee Clerk Signature

Chris Alexander

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on HB1020.

Rep. Pam Guleson moved to adopt amendment #0102 to HB1020.

Rep. Bob Martinson seconded.

Rep. Pam Guleson explained that the changes include the reduction in the compensation package, we removed the funding and the related FTE's for the Ebbert's Ranch project, we increased the grants funding by \$450,000 which is consistent with the amount that was appropriated last biennium for the Lewis and Clark events. We also added funding for the Lake Sakakawea boat ramp access, and this adds an emergency clause to this bill. We removed funding for capitol projects listed. The total changes come to \$243,627 and reduced the FTEs by two. We also removed the \$250,000 in the peace garden budget for the conflict resolution center.

Rep. Al Carlson asked if some of the savings here came from the money that was diverted from tourism for Ft Abraham and Lewis and Clark after we passed the lodging tax last session.

Page 2

House Appropriations Committee

Bill/Resolution Number HB1020

Hearing Date February 15, 2005

Rep. Bob Martinson answered that this is correct. We didn't have that budget here but we managed to save money in this budget.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0102. Motion carried.

Rep. Pam Gulleason moved a Do Pass As Amended motion for HB1020.

Rep. Bob Martinson seconded.

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for HB1020. Motion carried with a vote of 22 yeas, 0 neas, and 1 absence. Rep Gulleason will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on HB1020.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1020

Page 1, line 2, after "Garden" insert "; and to declare an emergency"

Page 2, remove line 5

Page 2, line 7, replace "691,903" with "529,031"

Page 2, line 8, replace "(245,255)" with "(307,255)"

Page 2, line 9, replace "262,406" with "187,406"

Page 2, line 10, replace "2,144,000" with "2,594,000"

Page 2, line 11, replace "(142,846)" with "(448,161)"

Page 2, line 12, replace "2,710,208" with "2,555,021"

Page 2, line 13, replace "1,514,146" with "1,602,586"

Page 2, line 14, replace "1,196,062" with "952,435"

Page 2, remove lines 15 through 21

Page 2, line 30, replace "5,946,469" with "5,783,597"

Page 2, line 31, replace "4,361,533" with "4,299,533"

Page 3, line 1, replace "2,780,200" with "2,705,200"

Page 3, line 2, replace "6,480,000" with "6,930,000"

Page 3, line 3, replace "617,772" with "312,457"

Page 3, line 4, replace "20,185,974" with "20,030,787"

Page 3, line 5, replace "12,286,253" with "12,374,693"

Page 3, line 6, replace "7,899,721" with "7,656,094"

Page 3, line 9, replace "602,854" with "352,854"

Page 3, line 10, replace "602,854" with "352,854"

Page 3, line 11, replace "8,502,575" with "8,008,948"

Page 3, line 12, replace "12,286,253" with "12,374,693"

Page 3, line 13, replace "20,788,828" with "20,383,641"

Page 4, after line 4, insert:

"SECTION 8. EMERGENCY. The amount of \$200,000 of federal funds for Lake Sakakawea boat ramp access included in the capital assets line item contained in subdivision 1 of section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Parks and Recreation Department			
Total all funds	\$20,185,974	(\$155,187)	\$20,030,787
Less estimated income	12,286,253	88,440	12,374,693
General fund	\$7,899,721	(\$243,627)	\$7,656,094
International Peace Garden			
Total all funds	\$602,854	(\$250,000)	\$352,854
Less estimated income			
General fund	\$602,854	(\$250,000)	\$352,854
Bill Total			
Total all funds	\$20,788,828	(\$405,187)	\$20,383,641
Less estimated income	12,286,253	88,440	12,374,693
General fund	\$8,502,575	(\$493,627)	\$8,008,948

House Bill No. 1020 - Parks and Recreation Department - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$5,946,469	(\$162,872)	\$5,783,597
Operating expenses	4,361,533	(62,000)	4,299,533
Capital assets	2,780,200	(75,000)	2,705,200
Grants	6,480,000	450,000	6,930,000
Lewis and Clark Bicentennial	617,772	(305,315)	312,457
Total all funds	\$20,185,974	(\$155,187)	\$20,030,787
Less estimated income	12,286,253	88,440	12,374,693
General fund	\$7,899,721	(\$243,627)	\$7,656,094
FTE	48.50	(2.00)	46.50

Dept. 750 - Parks and Recreation Department - Detail of House Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	REMOVES FUNDING AND RELATED FTEs FOR THE ELKHORN RANCH PROJECT 1	INCREASES FUNDING FOR GRANTS 2	ADDS FUNDING FOR LAKE SAKAKAWEA BOAT RAMP ACCESS 3	REMOVES FUNDING FOR CAPITAL PROJECTS 4	TOTAL HOUSE CHANGES
Salaries and wages	(\$17,411)	(\$145,461)				(\$162,872)
Operating expenses		(62,000)				(62,000)
Capital assets		(220,000)		\$200,000	(\$55,000)	(75,000)
Grants			\$450,000			450,000
Lewis and Clark Bicentennial	(315)				(305,000)	(305,315)
Total all funds	(\$17,726)	(\$427,641)	\$450,000	\$200,000	(\$360,000)	(\$155,187)
Less estimated income	(1,560)	(110,000)		200,000		88,440
General fund	(\$16,166)	(\$317,461)	\$450,000	\$0	(\$360,000)	(\$243,627)
FTE	0.00	(2.00)	0.00	0.00	0.00	(2.00)

† This amendment removes funding and 2 FTE positions related to the Elkhorn Ranch (Eberts Ranch) project.

2 This amendment adds \$450,000 from the general fund to the grants line item for the following entities:

Fort Abraham Lincoln Foundation	\$100,000
Lewis and Clark Foundation	100,000
Three Affiliated Tribes Lewis and Clark Bicentennial	100,000
Indian Affairs Commission First Nations Day	50,000
Standing Rock Tourism, Lewis and Clark	50,000
Cowboy Hall of Fame	<u>50,000</u>
Total	\$450,000

3 This amendment adds \$200,000 of federal funds authority to the capital assets line item so the department may receive \$200,000 from the Corps of Engineers to maintain boat ramp access on Lake Sakakawea. An emergency clause is added to the bill as a result of this amendment.

4 This amendment removes funding from the general fund for the following capital projects:

Fort Stevenson State Park campground rehabilitation	\$160,000
Lake Sakakawea State Park campground rewire	55,000
Lake Sakakawea State Park campground utilities upgrade	<u>145,000</u>
Total	\$360,000

House Bill No. 1020 - International Peace Garden - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
International Peace Garden	<u>\$602,854</u>	<u>(\$250,000)</u>	<u>\$352,854</u>
Total all funds	\$602,854	(\$250,000)	\$352,854
Less estimated income			
General fund	\$602,854	(\$250,000)	\$352,854
FTE	0.00	0.00	0.00

Dept. 751 - International Peace Garden - Detail of House Changes

	REMOVES FUNDING FOR CONFLICT RESOLUTION CENTER ¹	TOTAL HOUSE CHANGES
International Peace Garden	<u>(\$250,000)</u>	<u>(\$250,000)</u>
Total all funds	(\$250,000)	(\$250,000)
Less estimated income		
General fund	(\$250,000)	(\$250,000)
FTE	0.00	0.00

¹ This amendment removes the funding for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

Date: February 10, 2005

Roll Call Vote #: *Click here to type Roll Call Vote #*

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1020

House Appropriations Education and Environment

☐ Check here for Conference Committee

Legislative Council Amendment Number 58043 .0102

Action Taken DO PASS AS AMENDED

Motion Made By Vice Chairman Brusegaard Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Martinson	X		Rep. Aarsvold	X	
Vice Chairman Brusegaard	X		Rep. Gulleeson	X	
Rep. Rennerfeldt	X				
Rep. Wald	X				

Total 6 (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Gulleeson

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

Date: **February 15, 2005**
Roll Call Vote #: **001**

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1020

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

58043.0102

Action Taken DO PASS AS AMENDED

Motion Made By Rep Gulleson

Seconded By Rep Martinson

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	AB		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total	Yes	22	No	0
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Absent 1

Floor Assignment Rep Gulleson

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

REPORT OF STANDING COMMITTEE

HB 1020: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 2, after "Garden" insert "; and to declare an emergency"

Page 2, remove line 5

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Page 2, line 8, replace "(245,255)" with "(307,255)"

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Renumber accordingly

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Dept. 750 - Parks and Recreation Department - Detail of House Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	REMOVES FUNDING AND RELATED FTEs FOR THE ELKHORN RANCH PROJECT ¹	INCREASES FUNDING FOR GRANTS ²	ADDS FUNDING FOR LAKE SAKAKAWEA BOAT RAMP ACCESS ³	REMOVES FUNDING FOR CAPITAL PROJECTS ⁴	TOTAL HOUSE CHANGES
Salaries and wages	(\$17,411)	(\$145,461)				(\$162,872)
Operating expenses		(62,000)				(62,000)
Capital assets		(220,000)		\$200,000	(\$55,000)	(75,000)
Grants			\$450,000			450,000
Lewis and Clark Bicentennial	<u>(315)</u>				<u>(305,000)</u>	<u>(305,315)</u>
Total all funds	(\$17,726)	(\$427,641)	\$450,000	\$200,000	(\$360,000)	(\$155,187)
Less estimated income	<u>(1,560)</u>	<u>(110,000)</u>		<u>200,000</u>		<u>88,440</u>
General fund	(\$16,166)	(\$317,461)	\$450,000	\$0	(\$360,000)	(\$243,627)
FTE	0.00	(2.00)	0.00	0.00	0.00	(2.00)

¹ This amendment removes funding and 2 FTE positions related to the Elkhorn Ranch (Eberts Ranch) project.

REPORT OF STANDING COMMITTEE (410)
February 16, 2005 3:10 p.m.

Module No: HR-31-3195
Carrier: Guleson
Insert LC: 58043.0102 Title: .0200

2 This amendment adds \$450,000 from the general fund to the grants line item for the following entities:

Fort Abraham Lincoln Foundation	\$100,000
Lewis and Clark Foundation	100,000
Three Affiliated Tribes Lewis and Clark Bicentennial	100,000
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House Bill No. 1020 - International Peace Garden - House Action

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Dept. 751 - International Peace Garden - Detail of House Changes

	REMOVES FUNDING FOR CONFLICT RESOLUTION CENTER ¹	TOTAL HOUSE CHANGES
International Peace Garden	<u>(\$250,000)</u>	<u>(\$250,000)</u>
Total all funds	(\$250,000)	(\$250,000)
Less estimated income		
General fund	(\$250,000)	(\$250,000)
FTE	0.00	0.00

¹ This amendment removes the funding for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

2005 SENATE APPROPRIATIONS

HB 1020

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1020

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 3, 2005

Tape Number	Side A	Side B	Meter #
2	X		5,167-END
2		X	1-3495

Committee Clerk Signature



Minutes: **Chairman Holmberg called the hearing to order to on HB 1020, relating to the North Dakota Parks and Recreation Department and the International Peace Garden.**

Senator Jack Traynor introduced the bill. He spoke about the success of Graham's Island, the largest island on Devils Lake. It is the busiest state park in North Dakota, nearly 100,000 visitors were there, with 35% of them being non-residents. If the lake continues to rise, the road to Graham's Island will be underwater. We need a local match of \$2 million to pay for the road.

The local contributions are as follows:

\$300,000- Benson County

\$200,000- Ramsey County

\$50,000 Devils Lake Forward Commission

\$ 50,000- Devils Lake Tourism

\$500,000 has been secured from the Game and Fish Dept

\$200,000 from the Dept. Of Transportation.

Senate Appropriations Committee
Bill/Resolution Number HB 1020
Hearing Date March 3, 2005

Senator Traynor would like an additional \$500,000 included in the Parks and Rec Department, to fund the project. The bidding on the project begins in April.

Senator Bowman- How is the situation for the long term?

Senator Traynor- It is pretty good, several roads in the area have been raised, a bridge has been put in place. The dike around the city has been raised 3 feet. There is a 80% chance the lake will reach a record level.

Doug Prchal, Director of the North Dakota Parks Department appeared in support of the bill.
See written testimony.

Chairman Holmberg- I noticed that the House added a number of individual items specifically for projects around the state, is this from a priority sheet of the department?

Doug- That did not come from our request.

Senator Fischer- Tell me more about the Fort Stevenson project, and the authorization by the federal government?

Doug- The Corps has the funds to construct the marina. Congress is working on legislation to transfer the funds to our department.

Senator Bowman- What type of ramp will be made? Portable or permanent ramps?

Doug- Temporary ramps are being put in places like the one at Fort Stevenson.

Senator Bowman- Do you expect the \$500,000 from Senator Traynor's request to come out of this budget?

Doug- The intent is adding the Graham's Island project to the budget.

Senator Mathern- When did the request come in from Senator Traynor, is that in the governor's budget?

Senate Appropriations Committee

Bill/Resolution Number HB 1020

Hearing Date March 3, 2005

Doug- I don't believe it is in the governor's budget.

Senator Andrist- What level of priority is the Graham's Island project?

Doug- Graham's Island is one of the busiest of the state parks, with great boat access. It is a high priority.

Jim Fuglie, Board member from the International Peace Gardens appeared in support of the bill. See attached testimony.

Tiffany Johnson, a representative of the Mandan-Hidatsa-Arikara tribe appeared in support of the bill, and read submitted testimony from Tex Hall. See attached.

Tracy Potter, the Executive Director of the Fort Abraham Lincoln Foundation appeared in support of the bill. See written testimony.

Senator Andrist- Was that \$100,000 in your budget two years ago?

Tracy- Actually, it was \$150,000 two years ago, and it came out of the tourism budget.

Senator Andrist- Will that revenue stream continue?

Tracy- No. The enhanced tourism budget came from the lodging tax.

Senator Andrist- If the lodging tax figures continue, do you plan to tap into that?

Tracy- Not without legislative authority.

Chairman Holmberg closed the hearing on the bill. No action was taken.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 24, 2005

Tape Number

1

Side A

a

Side B

Meter #

4,048 - 4957

Committee Clerk Signature



Minutes:

Chairman Holmberg called the discussion to order on HB 1020.

Senator Andrist distributed amendments .0202 and moved to approve the amendments,

Senator Tallackson seconded. Discussion continued about the Peace Garden Project, The Lewis and Clark Park, Ft. Stevenson, and fiscal note. A voice vote was taken. The motion carried.

Senator Tallackson moved a DO PASS with the AMENDMENT, **Senator Fischer** seconded.

A roll call vote was taken resulting in 12 yes, 2 no, 1 absent. The motion carried. **Senator Andrist** will carry the bill.

Chairman Holmberg closed the discussion on HB 1020.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1020

Page 2, after line 4, insert:

"Subdivision 1."

Page 2, line 6, replace "529,031" with "523,038"

Page 2, line 9, replace "2,594,000" with "2,144,000"

Page 2, line 10, replace "(448,161)" with "(143,283)"

Page 2, line 11, replace "2,555,021" with "2,403,906"

Page 2, line 12, replace "1,602,586" with "1,602,087"

Page 2, line 13, replace "952,435" with "801,819"

Page 2, after line 13, insert:

"Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	<u>\$250,000</u>
Total general fund - Adjustments/enhancements	<u>\$250,000</u>
Total general fund - Section 2	\$1,051,819
Total special funds - Section 2	\$1,602,087
Total all funds - Section 2	\$2,653,906"

Page 2, line 22, replace "5,783,597" with "5,777,604"

Page 2, line 25, replace "6,930,000" with "6,480,000"

Page 2, line 26, replace "312,457" with "617,335"

Page 2, line 27, replace "20,030,787" with "19,879,672"

Page 2, line 28, replace "12,374,693" with "12,374,194"

Page 2, line 29, replace "7,656,094" with "7,505,478"

Page 3, line 1, replace "352,854" with "602,854"

Page 3, line 2, replace "352,854" with "602,854"

Page 3, line 3, replace "8,008,948" with "8,108,332"

Page 3, line 4, replace "12,374,693" with "12,374,194"

Page 3, line 5, replace "20,383,641" with "20,482,526"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1020 - Summary of Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Parks and Recreation Department				
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	<u>12,286,253</u>	<u>12,374,693</u>	<u>(499)</u>	<u>12,374,194</u>
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
International Peace Garden				
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income				
General fund	<u>\$602,854</u>	<u>\$352,854</u>	<u>\$250,000</u>	<u>\$602,854</u>
Bill Total				
Total all funds	\$20,788,828	\$20,383,641	\$98,885	\$20,482,526
Less estimated income	<u>12,286,253</u>	<u>12,374,693</u>	<u>(499)</u>	<u>12,374,194</u>
General fund	\$8,502,575	\$8,008,948	\$99,384	\$8,108,332

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,946,469	\$5,783,597	(\$5,993)	\$5,777,604
Operating expenses	4,361,533	4,299,533		4,299,533
Capital assets	2,780,200	2,705,200		2,705,200
Grants	6,480,000	6,930,000	(450,000)	6,480,000
Lewis and Clark Bicentennial	<u>617,772</u>	<u>312,457</u>	<u>304,878</u>	<u>617,335</u>
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	<u>12,286,253</u>	<u>12,374,693</u>	<u>(499)</u>	<u>12,374,194</u>
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
FTE	48.50	46.50	0.00	46.50

Dept. 750 - Parks and Recreation Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR FORT STEVENSON AND LAKE SAKAKAWEA PROJECTS ²	REMOVES FUNDING FOR GRANTS ³	TOTAL SENATE CHANGES
Salaries and wages	(\$5,993)			(\$5,993)
Operating expenses				
Capital assets				
Grants			(\$450,000)	(450,000)
Lewis and Clark Bicentennial	<u>(122)</u>	<u>\$305,000</u>		<u>304,878</u>
Total all funds	(\$6,115)	\$305,000	(\$450,000)	(\$151,115)
Less estimated income	<u>(499)</u>			<u>(499)</u>
General fund	(\$5,616)	\$305,000	(\$450,000)	(\$150,616)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² This amendment restores funding of \$160,000 from the general fund for the Fort Stevenson State Park campground rehabilitation and \$145,000 from the general fund for the Lake Sakakawea State Park campground utilities upgrade, for a total of \$305,000 from the general fund the House removed.

³ This amendment removes \$450,000 from the general fund that was added by the House for grants to specific entities.

House Bill No. 1020 - International Peace Garden - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
International Peace Garden	<u>\$602,854</u>	<u>\$352,854</u>	<u>\$250,000</u>	<u>\$602,854</u>
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income				
General fund	<u>\$602,854</u>	<u>\$352,854</u>	<u>\$250,000</u>	<u>\$602,854</u>
FTE	0.00	0.00	0.00	0.00

Dept. 751 - International Peace Garden - Detail of Senate Changes

	RESTORES FUNDING FOR THE CONFLICT RESOLUTION CENTER ¹	TOTAL SENATE CHANGES
International Peace Garden	<u>\$250,000</u>	<u>\$250,000</u>
Total all funds	\$250,000	\$250,000
Less estimated income	<u> </u>	<u> </u>
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment restores funding the House removed for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

Date 3/24/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1020

Senate **SENATE APPROPRIATIONS**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

DP w A

Motion Made By

Tallackson

Seconded By

Fischer

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN	✓	
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN		✓	SEN. TALLACKSON	✓	
SENATOR FISCHER					
	✓				
SENATOR KILZER	✓				
SENATOR KRINGSTAD					
SENATOR SCHOBINGER	✓				
SENATOR THANE		✓			

Total (Yes)

No

Absent

Floor Assignment

Andrist

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

REPORT OF STANDING COMMITTEE

HB 1020, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1020 was placed on the Sixth order on the calendar.

Page 2, after line 4, insert:

"Subdivision 1."

Page 2, line 6, replace "529,031" with "523,038"

Page 2, line 9, replace "2,594,000" with "2,144,000"

Page 2, line 10, replace "(448,161)" with "(143,283)"

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Page 3, line 5, replace "20,383,641" with "20,482,526"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Parks and Recreation Department				
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
International Peace Garden				
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income				
General fund	\$602,854	\$352,854	\$250,000	\$602,854
Bill Total				
Total all funds	\$20,788,828	\$20,383,641	\$98,885	\$20,482,526
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$8,502,575	\$8,008,948	\$99,384	\$8,108,332

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,946,469	\$5,783,597	(\$5,993)	\$5,777,604
Operating expenses	4,361,533	4,299,533		4,299,533
Capital assets	2,780,200	2,705,200		2,705,200
Grants	6,480,000	6,930,000	(450,000)	6,480,000
Lewis and Clark Bicentennial	617,772	312,457	304,878	617,335
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
FTE	48.50	46.50	0.00	46.50

Dept. 750 - Parks and Recreation Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR FORT STEVENSON AND LAKE SAKAKAWEA PROJECTS ²	REMOVES FUNDING FOR GRANTS ³	TOTAL SENATE CHANGES
Salaries and wages	(\$5,993)			(\$5,993)
Operating expenses				
Capital assets				
Grants			(\$450,000)	(450,000)
Lewis and Clark Bicentennial	(122)	\$305,000		304,878
Total all funds	(\$6,115)	\$305,000	(\$450,000)	(\$151,115)
Less estimated income	(499)			(499)
General fund	(\$5,616)	\$305,000	(\$450,000)	(\$150,616)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² This amendment restores funding of \$160,000 from the general fund for the Fort Stevenson State Park campground rehabilitation and \$145,000 from the general fund for the Lake Sakakawea State Park campground utilities upgrade, for a total of \$305,000 from the general fund the House removed.

³ This amendment removes \$450,000 from the general fund that was added by the House for grants to specific entities.

House Bill No. 1020 - International Peace Garden - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
International Peace Garden	<u>\$602,854</u>	<u>\$352,854</u>	<u>\$250,000</u>	<u>\$602,854</u>
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General fund	\$602,854	\$352,854	\$250,000	\$602,854
FTE	0.00	0.00	0.00	0.00

Dept. 751 - International Peace Garden - Detail of Senate Changes

	RESTORES FUNDING FOR THE CONFLICT RESOLUTION CENTER ¹	TOTAL SENATE CHANGES
International Peace Garden	<u>\$250,000</u>	<u>\$250,000</u>
Total all funds	\$250,000	\$250,000
Less estimated income	<u> </u>	<u> </u>
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment restores funding the House removed for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

2005 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1020

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 5, 2005

Tape Number

1

Side A

X

Side B

Meter #

0-14.6

Committee Clerk Signature



Minutes: **Chairman Martinson** call the conference committee hearing on HB1020 to order. All members were present - Chairman Martinson, Rep. Wald, Rep. Gulleson, Sen. Andrist, Sen. Schobinger and Sen. Tallackson.

Chairman Martinson Senators, looks to me that you put everything back in that we took out and then you deleted all \$450,000 worth of special projects, that's correct?

Sen. Andrist We thought that we would handle HB1019 and HB1020 as a package. We had the same conferees and only one change between the two. Our goal as we worked these budgets was not to grow them. That's the reason we took \$100,000 out of HB1019 because we wanted to go up \$100,000 on HB1020. We have different priorities. We though the parks dept. long range plans to rehabilitate these two parks just had a higher priority. Those grant items you had, our committee heard no testimony on them and they weren't in the Executive budget. So we put \$600,000 of the original \$650,000 request for rehabilitation of those two parks - Lake Sakakawea

and Fort Stevenson. Since you heard the bill, we have received word that the \$250,000 that you took out for the Peace Gardens for development and planning of their Conflict Resolution Center - it has a pretty warm reception by the Canadian parliament. They have a bill before them for \$15 million? A lesser amount is to be released initially but only release \$5 million because there has to be \$2 million in matching funds from the Peace Garden Board to make up the \$7.5 million to start construction. The \$250,000 that was taken out was to match a Manitoba grant of \$350,000 for the development and planning that was in the Governor's budget. We wanted that \$250,000 back in and wanted to put money in for those two park rehabilitation projects, which I think \$300,000. So that's is a \$550,000 added and that is why we took out those \$450,000 in grants to prune the addition to \$100,000. We took the \$100,000 out of the Historical Society budget to make up the \$100,000 we were adding. We're happy to negotiate. Our whole appropriations committee very reluctant to any additions.

Rep. Wald This conflict resolution center, there isn't a hotel or motel to accommodate any group. I had asked the gentleman "What kind of group do you expect to show up there?" And he said the Israel and Palestine conflict. What? His going to bring those people up there? These is no accommodations, no security, nearest airport is Minot! It is so unrealistic - this is a pipe dream.

Sen. Andrist Have not seen the planning but did see the master plan of this dream. This \$250,000 is not to build a conflict center but to advance the planning and the fund raising and to match the Manitoba grant with the same purpose. Amount of money we are asking to put into that dream is not huge for the potential payout.

Sen. Tolleckson Remember, this is the International Peace Gardens - the only one of it's kind in the world. The Canadians have not done much in the Peace Gardens on their side and they are starting to feel that. Going to be lopsided in financing with most coming from Canada. If you built it they will come, need to keep the \$250,000 in there.

Chairman Martinson I don't have a problem with dreaming but the projects we put in there are not dreams, they are reality. We put \$100,000 for the Lewis and Clark Foundation, which we have done in the past, \$100,000 for the Fort Abraham Lincoln Foundation, which we have done in the past, \$100,000 to 3 Affiliated Tribes, they are the second signature event celebrating the Lewis and Clark Bicentennial, \$100,000 from various sources, to Circle of Cultures, \$50,000 for Standing Rock Reservation to help them out with Lewis and Clark tourism type activities and First Nation's Day has no money and thought \$25,000 a year to help them get started. We might have a tendency to support your dreams if you support our reality.

Sen. Tallackson Where would the money come from? Would it be on top of the present budget?

Chairman Martinson Yes, it would have to be addition general fund money.

Sen. Tallackson We did not think it was fair to cut out those two projects to do these projects. If it is on top of it, I would be in favor of it.

Chairman Martinson Are you making a motion to add \$450,000 to the budget?

Sen. Tallackson I don't think I should at this time. I'll make two motions. First that you accede to our amendments and then I'll make a motion to include the \$450,000.

Sen. Andrist I could second that.

Chairman Martinson Are you going to vote for the other one? Why don't you make the other one first? I think we will probably have to meet again on this.

Sen. Tallackson Remember how difficult it was last session, we didn't have any money. We were king of tough on some of these outfits. We have a little more funds now and we should make these projects right that have been laying there on the table for years.

Sen. Schobinger The dream aspect of the conflict resolution center, I hope we remember that there is a major military installation and that I would foresee as being both the landing strip and the security. Minot Airforce base is close by and makes the conflict resolution center more of a reality.

Sen. Andrist Our committee feels those grants recipients for the \$450,000 are worthy places. Our thinking is these should not become permanently dependent on the state for successful foundation. We think with strong leadership and a good mission focus they should be able to swim on their own. \$100,000 is not essential to their operation but frosting on the cake.

Chairman Martinson That may be the case, but particularly the case with Native Americans, we need to fund them. We haven't done that in the past. We've funded the other Lewis and Clark projects and it is critical that we absolutely have to do that.

Sen. Tallackson Did I make a mistake, should I have not included both motions together?

Rep. Wald I'm not voting for an increase in the conflict resolution center.

Sen. Tallackson I move that you accede to our amendments and we'll accept the \$450,000.

Chairman Martinson Dies for lack of a second. We will meet again. Conference Committee
Hearing on HH1020 is closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 7, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-10.4
Committee Clerk Signature <i>Robin Purnley</i>			

Minutes: Chairman Martinson call conference committee on HB 1020 to order. Roll call was taken and all members were present - Chairman Martinson, Rep. Wald, Rep. Gulleeson, Sen. Andrist, Sen. Schobinger and Sen. Tallackson.

Chairman Martinson I have a proposal for the Senators. (See attached handout #1-1020) When we were all said and done with the House amendments and the Senate amendments we were about close to \$400,000 under the Governor's budget. So what I'm proposing is that we fund the Peace Garden at \$250,000; we fund the other projects we had in there at \$250,000. But we take out \$50,000 out of Lewis and Clark Bicentennial line item in Parks and Rec and the total increase, if we did all of that, over the Governor's budget would be \$5,757.

Sen. Tallakson Leaving the Senate changes in?

Sen. Andrist What would be the status of the two Parks & Rec rehabilitation projects?

Chairman Martinson That would all be in there. The only changes we would make, would be to add our projects back in and deduct \$50,000 from the Lewis and Clark Bicentennial line. That would put us in within \$6,000 of Governor's budget.

Sen. Tallackson That would leave \$50,000 in Lewis and Clark?

Chairman Martinson All those projects would be funded that we put in. All of the projects you would be funded that you put in, including the Peace Garden. This has come about because of the Ebberts Ranch, we had deducted that money from this bill and, of course, we killed the Ebberts Ranch a few days ago.

Sen. Andrist Over \$400,000 there?

Rep. Wald So Fort Abraham Lincoln, Lewis & Clark Foundation, 3 Affiliated Tribes are all back in?

Chairman Martinson Everything would be back in. Basically the bill would be like when we passed it and like when you passed it less the \$50,000 from the Lewis & Clark Bicentennial line item. We really haven't taken any money out of Parks & Rec and I thought they could afford the \$50,000. This puts us within \$6,000 of the Governor's budget.

Sen. Andrist We would be adding about \$400,000 to the Senate version?

Chairman Martinson That's correct, exactly \$400,000.

Sen. Andrist I would like a little more time to reflect on it, Like Monday maybe.

Chairman Martinson I would like to take care of some of these smaller type bills so that they don't get bogged down into the big conflicts that we have.

Sen. Andrist Did you poll your own committee members on that?

Chairman Martinson No, I haven't but this is at the level we passed out of the House. I don't know that there would be a problem with it.

Sen. Andrist No, this is not the level passed out of the House because we grew the House budget by \$100,000.

Chairman Martinson Well, I'll take care of my side and you take care of yours.

Sen. Andrist OK, let's take a couple of days to do it. I would like to wait till Monday.

Chairman Martinson We can wait until Monday.

Sen. Andrist This certainly is no secret, but before I grow a budget by \$400,000 I would like to discuss it a little with my committee chairman.

Chairman Martinson Then ask him at the same time how much he wants the Peace Garden money.

Chairman Martinson If Sen. Schobinger wants to take care of the \$5,757, we can take that right out of the Lewis & Clark line item, too and we would be right at 0. We would deduct \$55,757 and we would be right at the Governor's budget.

Sen. Andrist This isn't the same as the parks rehabilitation, is it? There were two projects, major park rehabilitation in the capital funding for the parks department. One was Fort Stevenson and the other was Lake Sakakawea state park. They have nothing to do with the Bicentennial and I'm wondering if that's what you have identified.

Chairman Martinson (See attached handout #2-1020) She'll get you a copy.

Sen. Andrist Apparently the rehabilitation projects are the same as the Bicentennial on this other spreadsheet. It is misstated, it should be in Lewis & Clark.

Rep. Wald Sen. Andrist, are you aware of any other money for Peace Garden in any other bills?

Sen. Andrist The total appropriation for the Peace Garden was a little over \$600,000 but that was what we had normally spent plus the \$250,000. \$375,000 is about our normal contribution to the Peace Garden for ongoing operation and maintenance.

Chairman Martinson They would have to do some rearranging but we didn't touch their basic budget at all. If we could agree to this, everybody would be happy.

Sen. Andrist Just to elaborate on the spreadsheet Chairman Martinson gave us (See attached handout #1-1020), where it has Lewis & Clark bicentennial, that really was three separate projects. One was to rehabilitate work at Fort Stevenson, work on Lake Sakakawea and a \$50,000 for campground rewiring. Chairman Martinson proposal makes those rehabilitation projects whole. Interesting proposition and we'll mull it over the weekend.

Chairman Martinson adjourned hearing on HB1020.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 11, 2005

Tape Number
1

Side A
X

Side B

Meter #
0-10.8

Committee Clerk Signature

Robbi Pursley

Minutes: **Chairman Martinson** opened conference committee hearing on HB1020. Roll call was taken with all members present - Chairman Martinson, Rep. Wald, Rep. Gulleason, Sen. Andrist, Sen. Schobinger and Sen. Tallackson.

Sen. Andrist We are still in the process of deciding how tight of a ring or just let her go. I'm inclined to either want more time unless we can talk about reducing the budget.

Chairman Martinson You can have more time. I'll wait to schedule until you guys have decided where you are.

Rep. Wald Where's the heartburn? Which items or item?

Sen. Andrist As I shared with Chairman Martinson where our committee is at - this bill, as it stands now, represents a \$450,000 increase over where it is in the most recent reconciliation. We are looking at the spreadsheet that shows the last action on the bill. Chairman Martinson's proposal, or I should say, your proposal represents about a \$450,000 increase over that.

Chairman Martinson \$400,000, because we would deduct \$50,000 from their budget.

Sen. Andrist I thought we cut that \$50,000 out?

Chairman Martinson No, that was part of our proposal. We add \$450,000 and deduct \$50,000 so it is a \$400,000 increase.

Sen. Andrist I was a little confused on that. There were three pieces to that which you show as the Lewis & Clark Bicentennial. They were park rehabilitation projects. We took \$50,000 out of that ourselves. Is this an additional \$50,000?

Chairman Martinson If you took out \$50,000 out of there, then this is additional. I didn't know that you did. You put \$100,000 back in.

Sen. Andrist Can you help me with that? On the green sheets...

Chairman Martinson You added \$304,000.

Sen. Andrist \$304,000? The original budget had \$350,000. You took that out and we put \$304,000 back.

Chairman Martinson You restore everything that we took out.

Sen. Andrist No, we didn't restore \$50,000 of that. Originally in for \$350,000.

Stephanie (LC) On the House side, there was removed funding for capital projects, it was \$305,000. It came from Lewis & Clark Bicentennial and that's the amount the Senate put back in. The House had also removed \$55,000, came from capital assets line. That came from Lake Sakakawea State Park Campground rewiring. The Senate did not add that one back in.

Sen. Andrist So we put \$305,000 back in.

Stephanie (LC) That's correct, in the Lewis & Clark Bicentennial line item. That was for two projects - Fort Stevenson State Park and Lake Sakakawea utilities upgrade.

Sen. Andrist So now, do I understand that Chairman Martinson proposal would reduce that \$305,000 to \$255,000? That \$55,000 hasn't been on the table for a while?

Stephanie (LC) That's correct. It was my understanding that the \$50,000 was coming out of the Lewis & Clark Bicentennial line. I'm not sure it was specified that it needed to be for these projects.

Sen. Andrist It wasn't for these capital projects?

Chairman Martinson They would have to make that decision, do you have that sheet of their different projects. They would have to determine where that came from. Can you remember last Thursday you said they need the \$350,000 and you thought they could give up another \$50,000? You were that close to just saying "Let's do it".

Sen. Andrist I was just wondering in we've taken that \$50,000 out twice. I'll take this and study it.

Rep. Wald This bicentennial is once in a 100 years, 200 years...

Sen. Andrist This really isn't bicentennial funding, it was miss spoken. This is just basic park rehabilitation.

Rep. Wald I understand that. Since it is the Lewis & Clark celebration. The money that we put in there, the \$450,000, is obviously tied to Lewis & Clark. Obviously the Indian population of North Dakota played a major role in the Lewis & Clark Expedition as they came through North Dakota. To allocate that kind of money in terms of a celebration these people are going to be involved in, I don't think is asking for too much. This is a one time deal, won't see it next biennium's budget. It in not a reoccurring expense. I guess, I can't speak for Chairman Martinson

or Earl, but that is where I am coming from on the \$450,000. It is a real legitimate use of the funds.

Sen. Andrist We've been quite supportive of Lewis & Clark funding. The only item in here that is really related to the Bicentennial is the \$100,000 for the Signature Event. Easier sell on my side than \$350,000. Are we going to be a permanent donor base for these foundations and other Native American activities. Cowboy Hall of Fame, of course we haven't given them much.

Chairman Martinson We feel the same way about the Peace Garden. That's why we took the \$250,000 out. We are trying to work on a compromise where we can all be happy with what we've done. So you want to drop me a note where you're ready to meet? One concern I have is this, I consider this a nice little budget - this and Historical, and the longer we wait the great the possibility they can get caught up in the hack saw. We'll lose our projects and you'll lose the Peace Garden and the Heritage Center will lose something. That does concern me. Someday somebody, whoever controls you guys in the Senate, will have to say something or we'll just sit here.

Sen. Andrist I appreciate those remarks. We are down to about \$65 million total carry over if we don't subtract from where our present budget is. We wrestling with....

Chairman Martinson No, we are more like \$90 million, combining the two funds. If we left today and did everything in these budgets we'd still have about \$90 million in the Rainy Day Fund and the Oil and Gas Fund.

Sen. Andrist The figures we had were closer to \$75 million. We are \$50 million over at the moment. It's closer to \$80 million.

Page 5

Education and Environment Division

Bill/Resolution Number HB1020

Hearing Date April 11, 2005

Chairman Martinson We left last session with \$10 million and felt good. We are not going to do some of these things and go home and say "We've got \$90 million in bank". People will say "What did you do?" Will meet again subject to the call. Hearing adjourned on HB1020.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 18, 2005

Tape Number
1

Side A
X

Side B

Meter #
9.5-10.9

Committee Clerk Signature



Minutes: **Chairman Martinson** opened hearing on HB1020. Roll call was taken and all members were present - Chairman Martinson, Rep. Wald, Rep. Gulleason, Sen. Andrist, Sen. Schobinger and Sen. Tallackson.

Chairman Martinson Do we have anything to talk about today?

Sen. Andrist Probably not. You made the last proposal which would add about \$400,000 to the budget. Waiting a couple more days, you might get it. We really can't, at this point, approve a \$400,000 increase in this budget. I think we have to talk about deductions in that amount or ask for more time.

Chairman Martinson OK, we will adjourn and meet either Tuesday or Wednesday.

Sen. Tallackson What about 1019?

Chairman Martinson We'll cancel that one.

Page 2

Education and Environment Division

Bill/Resolution Number HB1020

Hearing Date April 18, 2005

Sen. Andrist Our original plan was waiting to do 1020 first and our problem at the moment is adding too much money. HB1019, things we are talking about, we are not adding too much money.

Chairman Martinson That was the original idea and we should stick with it. Hearing on HB1020 adjourned.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 21, 2005

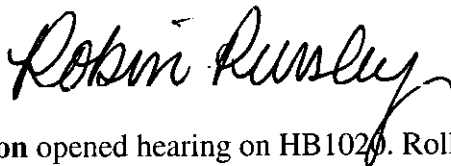
Tape Number
1

Side A
X

Side B

Meter #
0-2.5

Committee Clerk Signature



Minutes: Chairman Martinson opened hearing on HB1020. Roll call was taken and all members were present - Chairman Martinson, Vice Chairman Brusegaard (replacing Rep. Wald), Sen. Andrist, Sen. Schobinger and Sen. Tallackson.

Rep. Brusegaard I would move amendments 58043.0204.

Sen. Schobinger Second.

Chairman Martinson I can go over these. The only changes that we made in this, from your bill, these amendments propose that we take some grant money from Lewis and Clark grant line item in SB2018, which I believe is the Commerce bill. We provide funding for Fort Lincoln Foundation of \$100,000, Lewis and Clark Foundation of \$100,000, Three Affiliated Tribes Lewis and Clark Bicentennial \$50,000, Standing Rock Tourism \$50,000 and the Cowboy Hall of Fame \$25,000.

Sen. Andrist What did your committee take out, at the beginning of your remarks?

Page 2

Education and Environment Division

Bill/Resolution Number HB1020

Hearing Date April 21, 2005

Chairman Martinson If you just read Section 8. This money comes from the \$325,000 from the General Fund that the Tourism Division shall provide as grants. I believe that is the only change we made.

Sen. Schobinger That is a decrease in the House original bill?

Chairman Martinson That is correct. We had \$450,000 in and we are down to \$325,000.

VOICE VOTE on amendment .0204 carries.

Rep. Brusegaard I move a Do Pass As Amended for HB1020.

Sen. Tallackson Second.

VOTE 6 YES and 0 NO with 0 absent and not voting. DO PASS AS AMENDED. Rep.

Gulleson will carry to the floor.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB1020 (, as (re)engrossed): Date: 4-21-05

Your Conference Committee House Appropriations

For the Senate:

For the House:

YES / NO

YES / NO

here	Sen. Andrist	X	Ch. Martinson	X	here
here	Sen. Schobinger	X	Rep. Harold Brusegaard	X	here
here	Sen. Tallackson	X	Rep. Gulletson	X	here here

recommends that the SENATE/HOUSE (ACCEDE to) (RECEDE from)

the Senate/House amendments on (SJ/HJ) page(s) 1384 -- 1385

and place _____ on the Seventh order.

X (adopt) (further) amendments as follows, and place HB1020 on the Seventh order:

_____ having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((ReEngrossed) HB1020 was placed on the Seventh order of business on the calendar.

DATE: 4-21-05

CARRIER: Rep. Gulletson

LC NO. <u>58043</u>	of amendment <u>.0204</u>
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Rep. Brusegaard

SECONDED BY: Sen. Tallackson

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Andrist, Schobinger, Tallackson and Reps. Martinson, Brusegaard, Gulleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1384-1386, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1384-1386 of the House Journal and pages 1044-1046 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 2, after the semicolon insert "to designate department of commerce tourism division Lewis and Clark bicentennial grants;"

Page 2, after line 4, insert:

"Subdivision 1."

Page 2, line 6, replace "529,031" with "523,038"

Page 2, line 9, replace "2,594,000" with "2,144,000"

Page 2, line 10, replace "(448,161)" with "(143,283)"

Page 2, line 11, replace "2,555,021" with "2,403,906"

Page 2, line 12, replace "1,602,586" with "1,602,087"

Page 2, line 13, replace "952,435" with "801,819"

Page 2, after line 13, insert:

"Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	<u>\$250,000</u>
Total general fund - Adjustments/enhancements	\$250,000
Total general fund - Section 2	\$1,051,819
Total special funds - Section 2	\$1,602,087
Total all funds - Section 2	\$2,653,906"

Page 2, line 22, replace "5,783,597" with "5,777,604"

Page 2, line 25, replace "6,930,000" with "6,480,000"

Page 2, line 26, replace "312,457" with "617,335"

Page 2, line 27, replace "20,030,787" with "19,879,672"

Page 2, line 28, replace "12,374,693" with "12,374,194"

Page 2, line 29, replace "7,656,094" with "7,505,478"

Page 3, line 1, replace "352,854" with "602,854"

Page 3, line 2, replace "352,854" with "602,854"

Page 3, line 3, replace "8,008,948" with "8,108,332"

Page 3, line 4, replace "12,374,693" with "12,374,194"

Page 3, line 5, replace "20,383,641" with "20,482,526"

Page 3, after line 27, insert:

"SECTION 8. TOURISM DIVISION OF DEPARTMENT OF COMMERCE - LEWIS AND CLARK BICENTENNIAL GRANTS. The Lewis and Clark bicentennial line item in section 3 of Senate Bill No. 2018, as approved by the fifty-ninth legislative assembly, includes \$325,000 from the general fund that the tourism division shall provide as grants in the following amounts to the entities listed below during the biennium beginning July 1, 2005, and ending June 30, 2007:

Fort Abraham Lincoln foundation	\$100,000
Lewis and Clark foundation	\$100,000
Three affiliated tribes Lewis and Clark bicentennial	\$50,000
Standing Rock tourism, Lewis and Clark	\$50,000
Cowboy hall of fame	\$25,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Commerce						
Total all funds	\$0	\$0	\$0	\$0	\$0	\$0
Less estimated income						
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Parks and Recreation Department						
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672	\$19,879,672	\$0
Less estimated income	12,286,253	12,374,693	(499)	12,374,194	12,374,194	
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478	\$7,505,478	\$0
International Peace Garden						
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854	\$602,854	\$0
Less estimated income						
General fund	\$602,854	\$352,854	\$250,000	\$602,854	\$602,854	\$0
Bill Total						
Total all funds	\$20,788,828	\$20,383,641	\$98,885	\$20,482,526	\$20,482,526	\$0
Less estimated income	12,286,253	12,374,693	(499)	12,374,194	12,374,194	
General fund	\$8,502,575	\$8,008,948	\$99,384	\$8,108,332	\$8,108,332	\$0

House Bill No. 1020 - Department of Commerce - Conference Committee Action

A section is added directing the Tourism Division of the Department of Commerce to provide the following grants from the funds appropriated in the Lewis and Clark Bicentennial line item in Section 3 of Senate Bill No. 2018:

Fort Abraham Lincoln Foundation	\$100,000
Lewis and Clark Foundation	100,000
Three Affiliated Tribes Lewis and Clark Bicentennial	50,000
Standing Rock Tourism, Lewis and Clark	50,000

Cowboy Hall of Fame
 Total

25,000
\$325,000

House Bill No. 1020 - Parks and Recreation Department - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,946,469	\$5,783,597	(\$5,993)	\$5,777,604	\$5,777,604	
Operating expenses	4,361,533	4,299,533		4,299,533	4,299,533	
Capital assets	2,780,200	2,705,200		2,705,200	2,705,200	
Grants	6,480,000	6,930,000	(450,000)	6,480,000	6,480,000	
Lewis and Clark Bicentennial	<u>617,772</u>	<u>312,457</u>	<u>304,878</u>	<u>617,335</u>	<u>617,335</u>	
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672	\$19,879,672	\$0
Less estimated income	<u>12,286,253</u>	<u>12,374,693</u>	<u>(499)</u>	<u>12,374,194</u>	<u>12,374,194</u>	
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478	\$7,505,478	\$0
FTE	46.50	46.50	0.00	46.50	46.50	0.00

Dept. 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	RESTORES FUNDING FOR FORT STEVENSON AND LAKE SAKAKAWEA PROJECTS ²	REMOVES FUNDING FOR GRANTS ³	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$5,993)			(\$5,993)
Operating expenses				
Capital assets				
Grants			(\$450,000)	(450,000)
Lewis and Clark Bicentennial	<u>(122)</u>	<u>\$305,000</u>		<u>304,878</u>
Total all funds	(\$6,115)	\$305,000	(\$450,000)	(\$151,115)
Less estimated income	<u>(499)</u>			<u>(499)</u>
General fund	(\$5,616)	\$305,000	(\$450,000)	(\$150,616)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month, the same as the Senate version.

² This amendment restores funding of \$160,000 from the general fund for the Fort Stevenson State Park campground rehabilitation and \$145,000 from the general fund for the Lake Sakakawea State Park campground utilities upgrade, for a total of \$305,000 from the general fund that the House had removed. This is the same as the Senate version.

³ This amendment removes \$450,000 from the general fund that was added by the House for grants to specific entities, the same as the Senate version.

House Bill No. 1020 - International Peace Garden - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
International Peace Garden	<u>\$602,854</u>	<u>\$352,854</u>	<u>\$250,000</u>	<u>\$602,854</u>	<u>\$602,854</u>	
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854	\$602,854	\$0
Less estimated income						
General fund	\$602,854	\$352,854	\$250,000	\$602,854	\$602,854	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 751 - International Peace Garden - Detail of Conference Committee Changes

REPORT OF CONFERENCE COMMITTEE (420)
April 22, 2005 8:06 a.m.

Module No: SR-75-8493

Insert LC: 58043.0204

	RESTORES FUNDING FOR THE CONFLICT RESOLUTION CENTER ¹	TOTAL CONFERENCE COMMITTEE CHANGES
International Peace Garden	<u>\$250,000</u>	<u>\$250,000</u>
Total all funds	\$250,000	\$250,000
Less estimated income	<hr/>	<hr/>
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment restores funding the House removed for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center, the same as the Senate version.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

2005 TESTIMONY

HB 1020

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Funding Summary

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Salaries and wages	\$5,946,469	\$5,783,597	(\$5,993)	\$5,777,604
Operating expenses	4,361,533	4,299,533		4,299,533
Capital assets	2,780,200	2,705,200		2,705,200
Grants	6,480,000	6,930,000	(450,000)	6,480,000
Lewis and Clark bicentennial	617,772	312,457	304,878	617,335
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
FTE	48.50	46.50	0.00	46.50
International Peace Garden				
International Peace Garden	\$602,854	\$352,854	\$250,000	\$602,854
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income	0	0	0	0
General fund	\$602,854	\$352,854	\$250,000	\$602,854
FTE	0.00	0.00	0.00	0.00
Bill Total				
Total all funds	\$20,788,828	\$20,383,641	\$98,885	\$20,482,526
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$8,502,575	\$8,008,948	\$99,384	\$8,108,332
FTE	48.50	46.50	0.00	46.50

House Bill No. 1020 - Parks and Recreation Department - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$5,946,469	(\$162,872)	\$5,783,597
Operating expenses	4,361,533	(62,000)	4,299,533
Capital assets	2,780,200	(75,000)	2,705,200
Grants	6,480,000	450,000	6,930,000
Lewis and Clark bicentennial	617,772	(305,315)	312,457
Total all funds	\$20,185,974	(\$155,187)	\$20,030,787
Less estimated income	12,286,253	88,440	12,374,693
General fund	\$7,899,721	(\$243,627)	\$7,656,094
FTE	48.50	(2.00)	46.50

Department No. 750 - Parks and Recreation Department - Detail of House Changes

	Reduces Compensation Package to 3/4	Removes Funding and Related FTEs for the Elkhorn Ranch Project ¹	Increases Funding for Grants ²	Adds Funding for Lake Sakakawea Boat Ramp Access ³	Removes Funding for Capital Projects ⁴	Total House Changes
Salaries and wages	(\$17,411)	(\$145,461)				(\$162,872)
Operating expenses		(62,000)				(62,000)
Capital assets		(220,000)		200,000	(55,000)	(75,000)
Grants			450,000			450,000
Lewis and Clark bicentennial	(315)				(305,000)	(305,315)
Total all funds	(\$17,726)	(\$427,461)	\$450,000	\$200,000	(\$360,000)	(\$155,187)
Less estimated income	(1,560)	(110,000)	0	200,000	0	88,440
General fund	(\$16,166)	(\$317,461)	\$450,000	\$0	(\$360,000)	(\$243,627)
FTE	0.00	(2.00)	0.00	0.00	0.00	(2.00)

¹ This amendment removes funding and 2 FTE positions related to the Elkhorn Ranch (Eberts Ranch) project.

² This amendment adds \$450,000 from the general fund to the grants line item for the following entities:

Fort Abraham Lincoln Foundation	\$100,000
Lewis and Clark Foundation	100,000
Three Affiliated Tribes Lewis and Clark Bicentennial	100,000
Indian Affairs Commission	50,000
First Nations Day	
Standing Rock Tourism, Lewis and Clark	50,000
Cowboy Hall of Fame	50,000
Total	<u>\$450,000</u>

³ This amendment adds \$200,000 of federal funds authority to the capital assets line item so the department may receive \$200,000 from the Corps of Engineers to maintain boat ramp access on Lake Sakakawea. An emergency clause is added to the bill as a result of this amendment.

⁴ This amendment removes funding from the general fund for the following capital projects:

Fort Stevenson State Park campground rehabilitation	\$160,000
Lake Sakakawea State Park campground rewire	55,000
Lake Sakakawea State Park campground utilities upgrade	145,000
Total	<u>\$360,000</u>

House Bill No. 1020 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$5,946,469	\$5,783,597	(\$5,993)	\$5,777,604
Operating expenses	4,361,533	4,299,533		4,299,533
Capital assets	2,780,200	2,705,200		2,705,200
Grants	6,480,000	6,930,000	(450,000)	6,480,000
Lewis and Clark bicentennial	617,772	312,457	304,878	617,335
Total all funds	\$20,185,974	\$20,030,787	(\$151,115)	\$19,879,672
Less estimated income	12,286,253	12,374,693	(499)	12,374,194
General fund	\$7,899,721	\$7,656,094	(\$150,616)	\$7,505,478
FTE	48.50	46.50	0.00	46.50

Department No. 750 - Parks and Recreation Department - Detail of Senate Changes

	Reduces Recommended Funding for Health Insurance¹	Restores Funding for Fort Stevenson and Lake Sakakawea Projects²	Removes Funding for Grants³	Total Senate Changes
Salaries and wages	(\$5,993)			(\$5,993)
Operating expenses				
Capital assets				
Grants			(450,000)	(450,000)
Lewis and Clark bicentennial	(122)	305,000		304,878
Total all funds	(\$6,115)	\$305,000	(\$450,000)	(\$151,115)
Less estimated income	(499)	0	0	(499)
General fund	(\$5,616)	\$305,000	(\$450,000)	(\$150,616)
FTE	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² This amendment restores funding of \$160,000 from the general fund for the Fort Stevenson State Park campground rehabilitation and \$145,000 from the general fund for the Lake Sakakawea State Park campground utilities upgrade, for a total of \$305,000 from the general fund the House removed.

³ This amendment removes \$450,000 from the general fund that was added by the House for grants to specific entities.

House Bill No. 1020 - International Peace Garden - House Action

	Executive Budget	House Changes	House Version
International Peace Garden	\$602,854	(\$250,000)	\$352,854
Total all funds	\$602,854	(\$250,000)	\$352,854
Less estimated income	0	0	0
General fund	\$602,854	(\$250,000)	\$352,854
FTE	0.00	0.00	0.00

Department No. 751 - International Peace Garden - Detail of House Changes

	Removes Funding for Conflict Resolution Center¹	Total House Changes
International Peace Garden	(\$250,000)	(\$250,000)
Total all funds	(\$250,000)	(\$250,000)
Less estimated income	0	0
General fund	(\$250,000)	(\$250,000)
FTE	0.00	0.00

¹ This amendment removes the funding for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

House Bill No. 1020 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$602,854	\$352,854	\$250,000	\$602,854
Total all funds	\$602,854	\$352,854	\$250,000	\$602,854
Less estimated income	0	0	0	0
General fund	\$602,854	\$352,854	\$250,000	\$602,854
FTE	0.00	0.00	0.00	0.00

Department No. 751 - International Peace Garden - Detail of Senate Changes

	Restores Funding for the Conflict Resolution Center¹	Total Senate Changes
International Peace Garden	\$250,000	\$250,000
Total all funds	\$250,000	\$250,000
Less estimated income	0	0
General fund	\$250,000	\$250,000
FTE	0.00	0.00

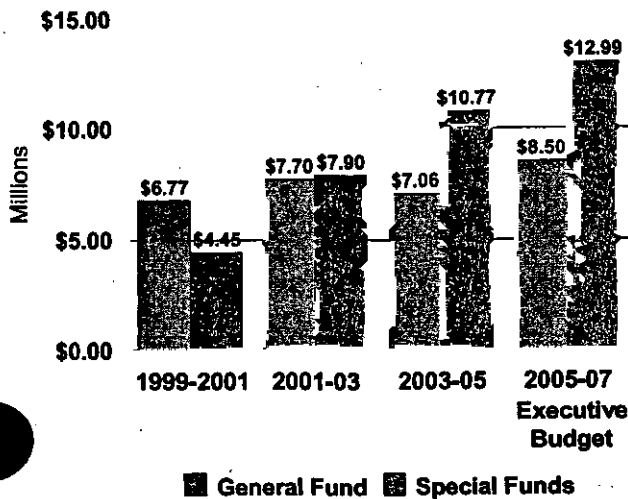
¹ This amendment restores funding the House removed for a grant to the International Peace Garden for planning relating to the construction of a conflict resolution center.

Department 750 - Parks and Recreation Department
House Bill No. 1020, Senate Bill No. 2023

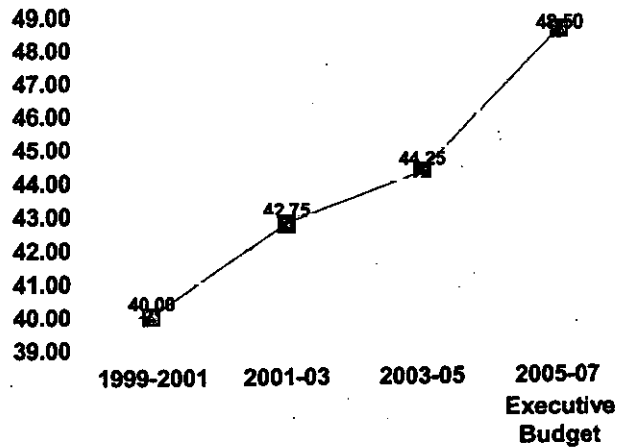
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	48.50	\$8,502,575	\$12,986,253	\$21,488,828
2003-05 Legislative Appropriations	44.25	7,056,513	10,772,107	17,828,620 ¹
Increase (Decrease)	4.25	\$1,446,062	\$2,214,146	\$3,660,208

¹The 2003-05 appropriation amounts do not include \$369,950 of capital construction carryover.

Agency Funding



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Increases funding for grants due to an anticipated increase in various federal grants		\$2,144,000	\$2,144,000
2. Provides funding and adds 2.25 FTE positions and temporary salaries - converts four .75 FTE park maintenance positions to full-time positions, converts one .75 park ranger position at Beaver Lake State Park to a full-time position, and adds 1 FTE position for a snowmobile and ATV safety instructor		\$178,866	\$178,866
3. Provides funding and adds 2 FTE positions and temporary salaries for the Elkhorn Ranch project	\$145,461		\$145,461
4. Provides capital assets funding for the Turtle River State Park administrative office - State bonding included in Senate Bill No. 2023 (\$350,000 state bonding and \$350,000 federal or special funds)		\$700,000	\$700,000
5. Provides funding for other 2005-07 biennium capital projects (\$2,170,000), extraordinary repairs (\$784,700), and equipment over \$5,000 (\$380,500)	\$1,632,700	\$1,702,500	\$3,335,200
6. Removes funding for 2003-05 biennium capital assets	(\$762,794)	(\$2,145,000)	(\$2,907,794)
7. Decreases funding for the Lewis and Clark Bicentennial line due to the end of the bicentennial during the 2005-07 biennium	(\$64,001)		(\$64,001)
8. Provides funding to increase pay rates for temporary seasonal employees at the state parks	\$80,000		\$80,000

Major Related Legislation

Senate Bill No. 2145 - This bill authorizes the Parks and Recreation Department to purchase 5,225.2 acres of land in western North Dakota; provides an appropriation to the Parks and Recreation Department for \$724,720 from federal and special funds, including \$424,720 from the game and fish fund; authorizes the director of the Parks and Recreation Department to borrow up to \$300,000 from Bank of North Dakota to defray costs associated with the land purchase; and authorizes the department to sell any parcel of land included in the acquisition.

House Bill 1020 – Agency Overview
House Appropriations Committee
Roughrider Room – 8:40AM
Friday, January 7, 2005

Mr. Chairman and members of House Appropriations, I am Doug Prchal, director of North Dakota Parks and Recreation Department. I appear to provide an overview of the 2003-2005 budget status and the 2005-2007 executive recommendation. The International Peace Garden is also included as a pass through operation line in our budget. Representatives are not here today but will attend the future subcommittee hearing. I will address that line item on their behalf. Current funding for the Garden has been transmitted in two equal installments and their intent is to spend the funds as allocated. Their 2005-2007 operation line remains at 100% with an addition of \$250,000 included in the recommendation directed toward planning and architectural work related to the proposed Conflict Resolution Center planned at the Garden.

Our agency budget has been prepared based on strategic plan goals. A summary sheet of plan elements is enclosed for specific review at your leisure. A component of that strategic plan is a base budget analysis, another document contributing to the development of the budget. That assessment is an internally created plan using a format we borrowed from our friends in Minnesota State Parks. The study collected data through a detailed inventory of all operation to determine base operation needs based on minimum standards, resources, facilities, programs and visitor services. I bring this to your attention to let you know we internally evaluated operations data with intent to create a management tool for budget allocations. This assessment gives us a base need for hours (staffing levels) necessary to accomplish the basic essential tasks in addition to fixed operation costs. The time does not allow for a detailed review but we invite any of you to contact us for more detail.

Given the benefit of this agency overview provides us to give you a bit about the department and what it is we do. A year end review is enclosed to capture the past years activities and is included for future reference.

The current budget is on track and at this point our projection is to spend the appropriation received with two exceptions. Grants appropriation will be \$200,000 less than anticipated projection due to receipt of less funds. Capital expenditures will equal appropriations but we were forced to forgo some approved projects due to low lake levels on Lake Sakakawea and the need to allocate revenues towards maintaining boat access at the parks on Lake Sakakawea.

Before moving on to the executive recommendation I call attention first to the attached pie charts to provide an overview of the department appropriations, by fund source, over the past two bienniums and the 2005-2007 recommended budget. This attachment is provided to give a reference to previous funds distribution.

The proposed 2005-2007 budget provides for 100% base with the following adjustments from our current budget authorization:

Salaries increase by \$412,480 with an equivalent increase of 4.25 FTE. The FTE change includes adding $\frac{1}{4}$ FTE to five $\frac{3}{4}$ positions with funding coming from park revenues. The rationale is established from the Base Budget assessment work I addressed at the outset. Another FTE is added for Snowmobile and ATV safety to be funded from those program fees or special funds. Home study course work was not providing the certification thus this other funded position is recommended to youth are properly trained and certified to operate these recreation vehicle. The other two positions are recommended for operations of the proposed Ranch acquisition, a manager for both years of the biennium and an assistant for the second year, funded from General Funds. The balance of the request relates to an \$80,000 increase in seasonal salaries to enable recruitment and retention of qualified staff to best serve our park visitors.

Operations line request shows an overall decrease which is due to removal of the current deficiency payment addressing FEMA recovery of Devils Lake and Turtle River state parks. The recommendation does include an increase of \$100,000 for State Wide planning (SCORP) required to be updated every 5 years to qualify for federal recreation grant dollars. In addition the request included state park plan updates that are ten years past due. The balance of \$62,000 is directed toward operation of the proposed ranch acquisition. All general fund dollars.

Equipment is reduced by \$281,000 due to reduction in projected federal funds.

Capital projects increase by \$1,243,656. Funding represents carry over due to the emergency need to fund ramp access on Lake Sakakawea, not funded in the current budget, requiring deferral. Roughly \$700,000 is directed to a visitor center/office replacement at Turtle River included in the bonding bill. The balance represents park repairs and improvements across the system. The split on funding is $\frac{1}{4}$ general fund and $\frac{3}{4}$ federal or special fund sources.

Grants line increases by \$2,144,000 due to anticipated increase in federal funds.

A summary of Major goals and objectives are listed on the attached spread sheet with corresponding measurements presented with that list.

That concludes the general overview and I will entertain any questions you may have.

Strategic Plan Goals – Summary – 2005

Critical Success Factor #1: Create a Unified Vision of the Purposes of NDPRD and Establish and Maintain a Common Set of Priorities.

- **Strategic Focus#1 - Establish Unified Mission Statements – Done**
- **Strategic Focus #2 – Establish and perpetuate measurable park and program goals and objectives that align with the Vision and Mission.**
 - Annual Work Plans – Performance - Priority Task list by divisions
 - Standards Committee – Measurements
 - Staff Training – Mentorship
 - Park Education Plans – Priority Tasks
- **Strategic Focus#3 - Establish procedures to focus park planning, facility development and resource management within identified park missions.**
 - Natural Resource Plans – Annual Priority Tasks
 - Parks Planning Team/Land Acquisitions – maintain Priority list by park
 - Facility Maintenance Program – Inventory – Task List
 - Trails Planning – Implementation
 - Visitor Safety – Risk Management - Ongoing

Critical Success Factor #2 - Maintain a Clear Description of Target Customers of NDPRD

- **Strategic Focus#1 - Establish customer profiles of NDPRD customers under current environment and define target customers for NDPRD**
 - Visitor satisfaction and profile Survey each Biennium - ongoing

Critical Success Factor #3 – Prepare Plan addressing Coordination-Communication to Achieve an Enhanced level of Cooperation, Awareness and Image

- **Strategic Focus#1 - Implement a communication plan elements that incorporate, but are not limited to the following internal tactics.**
 - Intranet development
 - Employee Recognition
 - Staff Satisfaction
- **Strategic Focus#2 - Implement communication elements that incorporates, but are not limited to, the following external tactics.**
 - Market Planning
 - State Park Signage – Collaboration with DOT
 - Department website – Recreation Grants on-line
 - Parks DSL Connections
 - Lewis & Clark Focus – Service Delivery
 - Interagency Coordination

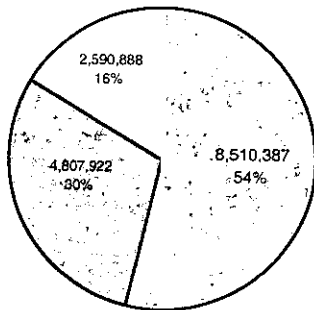
Critical Success Factor #4 Increase Funding through new Funding Sources while working to Maintain Historical Funding Levels from Traditional Sources

- **Strategic Focus#1 - Seek Funding outside of general fund dollars**
 - Estate Brochure - underway
 - Tiered Fees – reviewed per biennium
 - Partnership Creation
 - Foundation/Association and Friends Assistance
 - E-Commerce Evaluation
- **Strategic Focus#2 - Maintain general fund budgets**
 - Base Budget Assessment
 - Legislative visits to parks – open houses
 - IT Planning
 - Capital budget support
 - Federal Grants – Utilization per department priority

NDPRD Budget Funding Sources

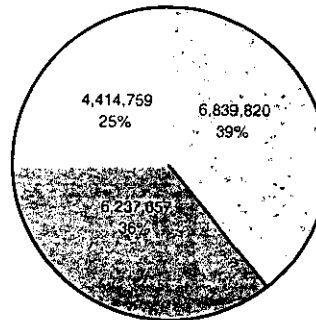
Biennium	General Funds	Federal Funds	Special Funds	Total
2001-2003	8,510,387	4,807,922	2,590,888	15,909,197
2003-2005	6,839,820	6,237,657	4,414,759	17,492,236
2005-2007	8,502,575	8,778,766	4,207,487	21,488,828

2001-2003 Funding Sources



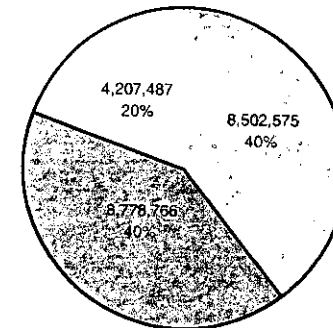
☐ General Funds
☐ Federal Funds
☐ Special Funds

2003-2005 Funding Sources



☐ General Funds
☐ Federal Funds
☐ Special Funds

2005-2007 Funding Sources



☐ General Funds
☐ Federal Funds
☐ Special Funds

North Dakota Parks & Recreation Department

Overview Presentation to the House Appropriations Committee

Friday, January 07, 2005

Funding

	2003-05 Legislative Appropriation	2003-05 Estimated Expenditures or Currently Filled FTE Positions	(1) Variance	2005-07 Executive Recommendation	(2) 2005-07 Recommendation Change (Variance) to 2003-05 Legislative Appropriations
Salaries and wages	5,254,566	5,254,566	0	5,667,046	412,480
Operating expenses	4,606,788	4,606,788	0	4,361,533	-245,255
Equipment	661,750	661,750	0	380,500	-281,250
Capital assets	1,856,044	1,856,044	0	3,099,700	1,243,656
Grants	4,336,000	4,136,000	200,000	6,480,000	2,144,000
Total	\$16,715,148	\$16,515,148	\$200,000	\$19,988,779	\$3,273,631
General fund	\$6,333,041	\$6,333,041	\$0	\$7,026,654	\$693,613
Federal funds	6,112,657	5,912,657	\$200,000	8,770,662	\$2,658,005
Special funds	4,269,450	4,269,450	\$0	4,191,463	-\$77,987
Total	\$16,715,148	\$16,515,148	\$200,000	\$19,988,779	\$3,273,631
FTE	44.25	44.25	0.00	48.50	4.25

(1) Explanation of Major Funding and FTE Variances for the 2003-05 Legislative Appropriation to 2003-05 Current Estimates

	FTE	General Fund	Federal and Special Funds	Total
1 Decrease in federal appropriation			200,000	200,000

(2) Explanation of Major Funding and FTE Changes (Variances) for the 2005-07 Recommendation to 2003-05 Legislative Appropriations

	FTE	General Fund	Federal and Special Funds	Total
1. Two additional FTE for Elkhorn Ranch plus increase 5 - 75% FTE to 100% plus 1 additional other funded position for ATV & snowmobile safety education. \$80,000 increase in GF seasonal salaries	4.25	196,613	215,867	412,480
2. Decrease due to removal of deficiency appropriation (\$575,287) plus increases in other fund for planning (\$100,000) and on-line services (\$110,000) and addition of Elkhorn operations (\$2,000)		162,000	-407,255	-245,255
3. Decrease in federal matching for equipment			-281,250	-281,250
4. Increase in capital projects		335,000	908,656	1,243,656
5. Increase in available grant programs			2,144,000	2,144,000
Totals		693,613	2,580,018	3,273,631

Summary of Major Goals and Objectives for the 2005-07 Biennium (to the extent available)

1. Maintain park operations with awareness of potential revenue impact due to low water levels on Lake Sakakawea. Related performance measurement data would include visitor satisfaction, revenue generation and visitation levels. Additional related measurements include completion of disaster recovery plans and risk management compliance efforts.
2. Attention to maintaining lake access with assistance from Corps of Engineers. Related performance data would include interagency cooperation, receipt of federal funds, and related projects identification and completion.
3. Support efforts on Devils Lake road raise. Related performance measures would include visitor awareness and satisfaction and cooperation with local and county officials.
4. Support increased staff salaries to address internal and external equity issues. Related performance measures would include assistance to Human Resource Mgmt Systems for justification information.
5. Maintain existing park buildings and infrastructure, capital projects plus extraordinary repairs. Related performance measures include facility maintenance task completion related to appropriation levels.
6. Continue natural resource efforts to include noxious weed identification and eradication and hazardous tree program. Related performance measures include individual park objectives completed as identified in park natural resource plans.
7. Elkhorn Ranch planning, operations and development. Related performance measurements include successful purchase, planning and development as per legislative intent.

A1020

House Bill 1020 –
House Appropriations Committee
Roughrider Room – 10:30am
Thursday, January 13, 2005

Mr. Chairman and members of House Appropriations, Education and Environment Division, my name is Doug Prchal, director of North Dakota Parks and Recreation Department. I will provide details for the 2005-2007 executive recommendation for the department. The International Peace Garden is also included as a pass through operation line in our budget. Mr. John McQueen is here to speak to details on that budget following my presentation.

As reviewed last week during the agency overview I want to reiterate our agency budget proposal was prepared based on strategic plan goals. A component of that strategic plan is a base budget analysis, another document that contributed to the development of the budget. The study collected data through a detailed inventory of all operations to determine basic staff and operation needs based on minimum standards for resource management, facility maintenance, programs and visitor services. I bring this to your attention to let you know of this internal evaluation of operations with intent to create a management tool for budget determinations and allocations. This assessment provides the data base need for hours (staffing levels) necessary to accomplish the basic essential tasks in addition to providing the base fixed operation costs. The time does not allow for a detailed review but we invite any of you to contact us for more detail. An attachment lists a base staff hours summary for future reference.

Visitation for the 2004 season was down 3% and I would suspect you would concur, that drop is due to a summer that was wet and cool. Actual visitation, however was consistent with overall averages. Comparing 2004 visitation to 2003, a record year posting an 8% increase gives the perspective we speak of. Lewis and Clark travel aided in recovery of some deficit, especially in the months of September/ October.

The executive recommendation adjustments from current budget, by funding source, presents a 1% increase in General Fund, a reduction of 5% in special funds and an increase in federal funds of 4%. Special funds in the present budget were identified to also fund Capital projects. The budget proposal before you has changed Capital to back to General and Federal funding. The pie charts provided last week give an overview of department appropriations, by fund source, over the past 4 years.

Since I did not cover Capital projects in detail I will do that now. A summary sheet references that list. Nine projects are submitted, two included in the base funding within the LC line and include the Fort Stevenson and Lake Sakakawea campground utility upgrades, \$160,000 and \$145,000, respectfully. An additional \$55,000 is included in the adjustment to cover operations and fuel costs for National Guard assistance to the Lake Sakakawea project. Another campground utility upgrade at Icelandic is an identified priority at \$190,000, half general and half federal funds.

Trails development in the Pembina Gorge to address off trail use on private lands is proposed as well as including hike-bike trails totaling \$250,000 with 80/20 federal highway dollars funding this project. Ramp improvement at Lake Sakakawea totals at \$50,000 with half general fund and half federal and repairs to corrals, water system and general updates at Sully Creek total \$70,000, all general funded. Site improvements at the proposed Elkhorn Ranch site including camping, water service, picnic and trails for \$220,000 round out the recommendations in HB 1020. Another project, Turtle River visitor service/office building is included in the Bonding Bill currently going through the Senate. That project totals \$700,000 with half from bonding and the balance from federal funds. The split on Capital funding is $\frac{1}{4}$ general fund and $\frac{3}{4}$ federal or special fund sources. An attached spreadsheet lists the projects including funding sources for future reference.

Salaries, as noted in the overview increase by \$412,480 with an equivalent increase of 4.25 FTE. The FTE change includes adding $\frac{1}{4}$ FTE to five $\frac{3}{4}$ positions with funding coming from park revenues. The rationale is established from the Base Budget assessment work I addressed at the outset and again I reference the detail in the attached Staff Hours Worksheet. Existing staffing equates to an equivalent of 126,375 hours to address basic operations needs in the parks system. However, the base budget analysis identifies a need for 154,310 hours leaving a deficit of roughly 28,000 hours. We provide this work sheet to quantify need for the requested staffing increase. An FTE is added for Snowmobile and ATV safety to be funded from those program fees or special funds. Home study course work was not providing the certification thus this other funded position is recommended to youth are properly trained and certified to operate these recreation vehicles. The other two positions are recommended for operations of the proposed Ranch acquisition, a manager for both years of the biennium and an assistant for the second year, funded from General Funds. The balance of the request relates to an \$80,000 increase in seasonal salaries to enable recruitment and retention of qualified staff to best serve our park visitors.

Operations includes an increase of \$100,000 for State Wide planning to include the State Comprehensive Outdoor Recreation Plan (SCORP) and state park specific planning. The SCORP is required to be updated every 5 years to qualify for federal recreation grant dollars. State park plan updates are ten years past due needing updates. The balance of \$62,000 is directed toward operation of the proposed ranch acquisition.

Rising water on Devils lake and low water on Lake Sakakawea continue to plague us. We bring these issues to your attention since both of these lakes represent significant outdoor recreation resources and provide for outdoor pursuit leading to major economic activity in local regions as well as to the state.

That concludes my testimony and I will entertain any questions you may have before we move on to the Peace Garden.

NDPRD Base budget staff hours

Park	FTE	3 yr avg Temp	Existing Staff Hrs		Base Budget Staff Hrs	% of Total
FALSP	3.75	5.37	18,970	15%	18,834	12%
LMSP	3.75	3.65	15,392	12%	18,743	12%
ISP	2.75	4.13	14,305	11%	18,383	12%
DLSP	2.00	4.40	13,312	11%	16,154	10%
TRSP	2.75	4.26	14,581	12%	15,303	10%
FSSP	2.00	2.75	9,880	8%	14,591	9%
LSSP	2.00	3.68	11,814	9%	14,473	9%
FRSP	1.00	2.43	7,134	6%	10,473	7%
L&CSP	1.00	2.82	7,946	6%	10,297	7%
CRSP	2.00	1.74	7,779	6%	10,055	7%
BLSP	-	1.22	2,538	2%	3,691	2%
Sully		0.75	1,560	1%	775	1%
Little Mo		0.56	1,165	1%	2,538	2%
			126,375	100%	154,310	100%
					27,935	

\$ 223,476.16

Based on 27,935 hrs @ \$8/hr



50-07 Capital asset budget request

50-07 capital asset budget recommendation

05/07 Capital Asset budget Optional request

	General Funds	Federal Funds	Other funds	General Funds	Federal Funds	Other funds	General Funds	Federal Funds	Other Funds
Capital projects		\$850,000		\$335,000	\$1,280,000		\$2,206,500	\$1,573,500	
MI projects	\$672,700	\$42,000		\$742,700	\$42,000		\$644,500		
Park Equipment			\$103,000			\$238,000	\$792,200		
Snomo equipment			\$135,000			\$135,000			
ATV equipment			\$7,500			\$7,500			
Total	\$672,700	\$892,000	\$245,500	\$1,077,700	\$1,322,000	\$380,500	\$3,643,200	\$1,573,500	\$0
			\$1,810,200			\$2,780,200			\$5,216,700

2005-2007 Capital Assets Line Recommendation

	General Funds	Federal Funds	Other Funds	Totals
Mi projects	\$672,700			\$672,700
FEMA authority		\$100,000		\$100,000
Corps authority		\$500,000		\$500,000
Coast Guard authority		\$250,000		\$250,000
G&F Coop		\$42,000		\$42,000
Park Equipment			\$238,000	\$238,000
Snowmobile equipment			\$135,000	\$135,000
ATV equipment			\$7,500	\$7,500
LSSP Campground rewire	\$55,000			\$55,000
Pembina Gorge trails	\$50,000	\$200,000		\$250,000
ISP campground upgrade	\$95,000	\$95,000		\$190,000
LSSP boat ramp impr	\$25,000	\$25,000		\$50,000
Elkhorn Ranch	\$110,000	\$110,000		\$220,000
Sully Creek	\$70,000			\$70,000
				\$0
Totals	\$1,077,700	\$1,322,000	\$380,500	\$2,780,200

Lewis & Clark Capital Projects (Included in L&C Special Line)

	General Funds	Federal Funds	Other Funds	Totals
LSSP campground utilities	\$145,000			\$145,000
FSSP campground rehab	\$160,000			\$160,000
Totals	\$305,000	\$0	\$0	\$305,000

Grand total

\$3,085,200

House Bill 1020 –
Senate Appropriations Committee
Harvest Room – 2:30pm
Thursday, March 3, 2005

Mr. Chairman and members of Senate Appropriations, my name is Doug Prchal, director of North Dakota Parks and Recreation Department. I will provide details for the 2005-2007 executive recommendation for the department. The International Peace Garden is also included as a pass through operation line in our budget. A Board Member is here to speak to details on that budget following my presentation.

Included within the prepared packet is an agency year end summary provided for your future reference of agency programs, activity and accomplishments. Our agency budget recommendation was prepared based on strategic plan goals. A copy of that strategic summary is attached. A component of that strategic plan is a base budget analysis that we covered last session and also another document that contributed to the development of the budget. The study collected data through a detailed inventory of all operations to determine basic staff and operation needs based on minimum standards for resource management, facility maintenance, programs and visitor services. I bring this to your attention to let you know this internal evaluation creates a management tool for budget determinations, budget allocations and management. Our base budget assessment provides the data base need for hours (staffing levels) necessary to accomplish basic essential tasks within respective parks and program areas in addition to providing the base fixed operation costs. Time does not allow for a detailed review but we invite any of you to contact us for more detail. An attachment lists a summary of base staff hours for future reference related to executive recommendation of staffing levels.

The enclosed pie charts provide an overview of department appropriations, by fund source, over the past 4 years and a distribution of the recommended budget. As noted, funding source changes from 2003-2005, present an 11% increase in General Fund, a reduction of 7% in special funds and an increase in federal funds of 40%. The 03-05 budget directed special funds for Capital where the recommendation before you has changed Capital to be funded from general and federal sources.

Capital projects are detailed in a summary sheet for reference. Eight projects are submitted; two in base funding within the LC line and include the Fort Stevenson and Lake Sakakawea campground utility upgrades. An additional \$55,000 is included to cover supply and fuel costs for National Guard assistance to the Lake Sakakawea project. All three projects were pulled from the budget during House Appropriation actions. We ask for reinstatement of project funding to enable update of antiquated facilities. Investing in these priorities assures quality services leading to return customers. The LC budget line was reduced by 19.5% from the present budget but with the House reduction is now reduced an additional 50%. Removing the \$55,000

equates to another 5% cut for a total Capital budget reduction of 26%. These three projects have been requested over the past 3 biennia and are overdue for update. Additional projects include campground utility upgrade at Icelandic, creation of a system of trails in the Pembina Gorge to address off trail ATV use as well as hike/bike trails, a ramp improvement at Lake Sakakawea, repairs to corrals, water system and general updates at Sully Creek. Another project, Turtle River visitor service/office building is included in the Bonding Bill approved by the Senate. Development at the proposed Elkhorn Ranch site including camping, water service, picnic and trails was also removed by House Appropriations. Given the amended SB2145, Ranch Acquisition, specifically the suggested interim study we see no need to replace development funding. We would suggest retaining the federal authority of \$110,000 giving us flexibility should future federal funds become available. The split on Capital funding in the recommendation is $\frac{1}{4}$ general fund and $\frac{3}{4}$ federal or special fund sources accounting for a very responsible submittal.

The executive recommendation presents an increase of 4.25 FTE. The FTE change includes adding $\frac{1}{4}$ FTE status to five $\frac{3}{4}$ positions with funding coming from park revenues. The rationale is established from the Base Budget assessment work I addressed at the outset. Another FTE is added for Snowmobile and ATV safety to be funded from those program fees or special funds. Home study course work was not providing the certification thus this other funded position is recommended to youth are properly trained and certified to operate these recreation vehicles. The last two positions are recommended for operation of the proposed ranch acquisition, a manager for both years of the biennium and an assistant for the second year. The balance of the request relates to an \$80,000 increase in seasonal salaries to enable recruitment and retention of quality staff to best serve our park visitors. The House appropriations removed the two FTE for the proposed ranch acquisition. We request retention of the manager position as the staff person necessary to aid the interim study in planning and data collection. This would adjust the FTE request to 3.25 and reduce the salary request by \$55,000.

Operations funding includes an increase of \$100, 000 for State Wide planning to prepare the State Comprehensive Outdoor Recreation Plan (SCORP) and state park specific planning. The SCORP is required to be updated every 5 years to qualify for federal recreation grant dollars. State park plan updates are ten years past due needing updates. Additionally, \$62,000 was directed toward operation funding for the proposed ranch acquisition. This latter fund was removed by the House and given the interim study over the biennium there is no need for operation funding.

The proposed budget presents a responsible and defensible budget. The state park system offers a quality experience for our residents and visitors. We have a good product that this appropriation request will ensure remains quality. Our business encourages travel, supports local economies and adds to the state's quality of life. We ask for your support and approval of the budget as presented.

Ramp access on Lake Sakakawea remains a concern for us and we are committed, within budget authority, to continuing efforts to do our best in the partnership with the Game and Fish and local entities. The COE has agreed to transfer federal funds to assist with those projects thus the House amended the budget by \$200,000, with an emergency clause, to accept those funds.

We are also engaged with the COE and city of Garrison to construct a new marina at Fort Stevenson State Park. That project is now funded but the COE has initiated legislation, now introduced in Congress, to transfer full funding of \$5 million dollars to the state. To that end we ask for increased authority, with emergency clause, to allow receipt and expenditure of those funds. Congressional approval is expected to come by late March or early April, thus the emergency request. We know, and hope you agree, that administration of those funds by our staff and local involvement will result in a more complete project than one administered from Omaha, Nebraska by COE planning staff.

Another concern facing us is the road to Grahams Island State Park on Devils Lake. Federal Highway assistance has been secured and local funding is partially in place so we ask for your consideration in working with locals to enable fulfillment of local matching funds for that project. Grahams Island is one of the critical facilities in the system and a key outdoor recreation facility in the Devils Lake region.

That concludes the testimony and I will entertain any questions you may have before we move on to the Peace Garden.



50-07 Capital asset budget request

50-07 capital asset budget recommendation

05/07 Capital Asset budget Optional request

	General Funds	Federal Funds	Other funds	General Funds	Federal Funds	Other funds	General Funds	Federal Funds	Other Funds
Capital projects		\$850,000		\$335,000	\$1,280,000		\$2,206,500	\$1,573,500	
MI projects	\$672,700	\$42,000		\$742,700	\$42,000		\$644,500		
Park Equipment			\$103,000			\$238,000	\$792,200		
Snomo equipment			\$135,000			\$135,000			
ATV equipment			\$7,500			\$7,500			
Total	\$672,700	\$892,000	\$245,500	\$1,077,700	\$1,322,000	\$380,500	\$3,643,200	\$1,573,500	\$0
			\$1,810,200			\$2,780,200			\$5,216,700

2005-2007 Capital Assets Line Recommendation

	General Funds	Federal Funds	Other Funds	Totals
Extraordinary repairs	\$672,700			\$672,700
FEMA authority		\$100,000		\$100,000
Corps authority		\$500,000		\$500,000
Coast Guard authority		\$250,000		\$250,000
G&F Coop		\$42,000		\$42,000
Park Equipment			\$238,000	\$238,000
Snowmobile equipment			\$135,000	\$135,000
ATV equipment			\$7,500	\$7,500
LSSP Campground rewire	\$55,000			\$55,000
Pembina Gorge trails	\$50,000	\$200,000		\$250,000
ISP campground upgrade	\$95,000	\$95,000		\$190,000
LSSP boat ramp impr	\$25,000	\$25,000		\$50,000
Elkhorn Ranch	\$110,000	\$110,000		\$220,000
Sully Creek	\$70,000			\$70,000
				\$0
Totals	\$1,077,700	\$1,322,000	\$380,500	\$2,780,200

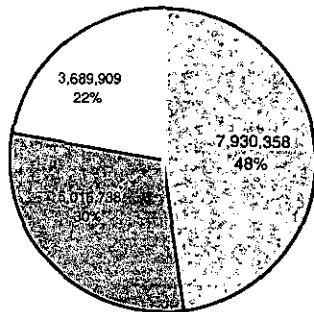
Lewis & Clark Capital Projects (Included in L&C Special Line)

	General Funds	Federal Funds	Other Funds	Totals
LSSP campground utilities	\$145,000			\$145,000
FSSP campground rehab	\$160,000			\$160,000
Totals	\$305,000	\$0	\$0	\$305,000
TR Admin Building (Bonding Bill SB2023)		\$350,000	\$350,000	\$700,000
Grand total	\$1,382,700	\$1,672,000	\$730,500	\$3,785,200

NDPRD Budget Funding Sources

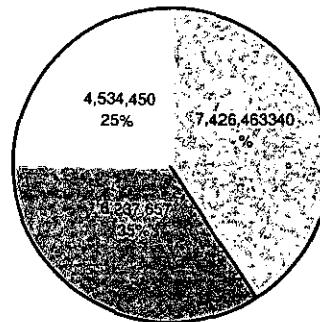
Biennium	General Funds	Federal Funds	Special Funds	Total
2001-2003	7,930,358	5,016,738	3,689,909	16,637,005
2003-2005	7,426,463	6,237,657	4,534,450	18,198,570
2005-2007	8,242,081	8,770,662	4,191,463	21,204,206

2001-2003 Funding Sources



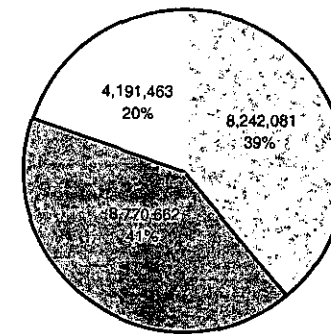
☐ General Funds
☐ Federal Funds
☐ Special Funds

2003-2005 Funding Sources



☐ General Funds
☐ Federal Funds
☐ Special Funds

2005-2007 Funding Sources

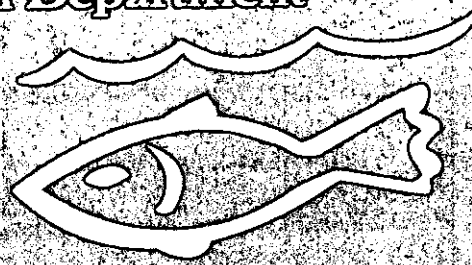
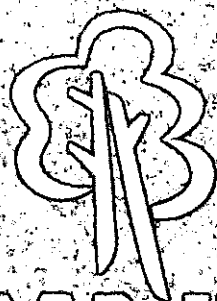


☐ General Funds
☐ Federal Funds
☐ Special Funds

Parks and Recreation Department - House Bill No. 1020

	Executive Budget	House Changes	Senate Changes	Senate Version	Proposed Conference Committee Changes	Proposed Conference Committee Version	Increase / (Decrease) From Exec. Budget
Parks and Recreation Department:							
Salaries and wages	\$5,946,469	(\$162,872)	(\$5,993)	\$5,777,604		\$5,777,604	(\$168,865)
Operating expenses	4,361,533	(62,000)		4,299,533		4,299,533	(62,000)
Capital assets	2,780,200	(75,000)		2,705,200		2,705,200	(75,000)
Grants	6,480,000	450,000	(450,000)	6,480,000	\$450,000	6,930,000	450,000
Lewis and Clark bicentennial	617,772	(305,315)	304,878	617,335	(50,000)	567,335	(50,437)
Total all funds	\$20,185,974	(\$155,187)	(\$151,115)	\$19,879,672	\$400,000	\$20,279,672	\$93,698
Less: estimated income	12,286,253	88,440	(499)	12,374,194	0	12,374,194	87,941
General Fund	\$7,899,721	(\$243,627)	(\$150,616)	\$7,505,478	\$400,000	\$7,905,478	\$5,757
International Peace Garden:							
International Peace Garden	\$602,854	(\$250,000)	\$250,000	\$602,854		\$602,854	\$0
Total all funds	\$602,854	(\$250,000)	\$250,000	\$602,854	\$0	\$602,854	\$0
Less: estimated income	0	0	0	0	0	0	0
General fund	\$602,854	(\$250,000)	\$250,000	\$602,854	\$0	\$602,854	\$0
Bill Total							
Total all funds	\$20,788,828	(\$405,187)	\$98,885	\$20,482,526	\$400,000	\$20,882,526	\$93,698
Less: estimated income	12,286,253	88,440	(499)	12,374,194	0	12,374,194	87,941
General fund	\$8,502,575	(\$493,627)	\$99,384	\$8,108,332	\$400,000	\$8,508,332	\$5,757

#1-1020



2004 YEAR-IN-REVIEW

State Park Statistics

Land

11 year round parks
6 seasonal parks
5 natural, scenic or historic areas
5 dedicated State Nature Preserves

Land owned—7,130 acres

Land leased—7,499 acres

Employment

44.25 full-time employees

132 seasonal park employees

Infrastructure

15.1 million—Value of park buildings

\$25.6 million—Value of roads/
grounds

Visitation

2004 estimated visitation—

960,237

70% North Dakotans, 30%
other states & Canada

Fiscal Impact

of Park Visitors

Direct sales—\$31.4 million

Total sales—\$62.9 million

Increased sales tax revenues—
\$3.7 million

Volunteers

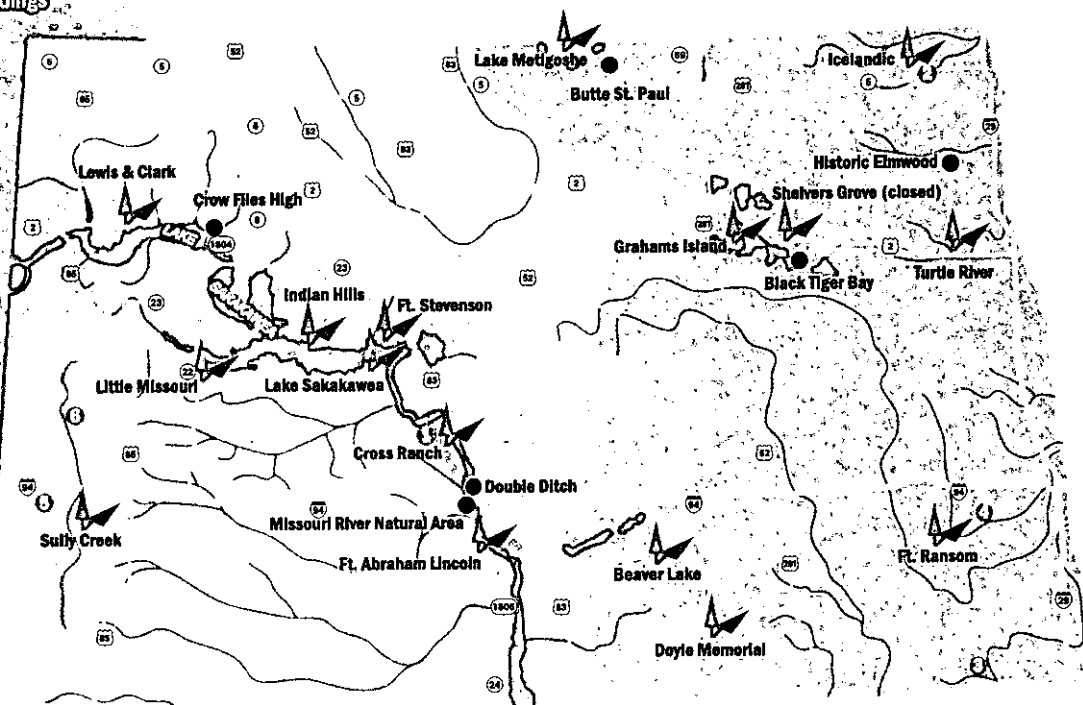
VIP & Campground Host

Program—31,435 hours

Volunteer hours had an
estimated value of \$540,368
to the state park system.

based on 2003 survey by the
dependent sector.

*This special report is a brief summary
of the major challenges and activities of the
North Dakota Parks & Recreation
Department in 2004.*



State Park or State Recreation Area

● Day Use Area

Dedicated State Nature Preserves

① Cross Ranch (NDPRD)

② Gunlogson (NDPRD)

③ Head of the Mountain (Stutsman County WMB/NDPRD)

④ H.R. Morgan (NDG&FD)

⑤ Sentinel Butte (NDDOT)

⑥ Proposed - Elkhorn State Nature Preserve (NDPRD)

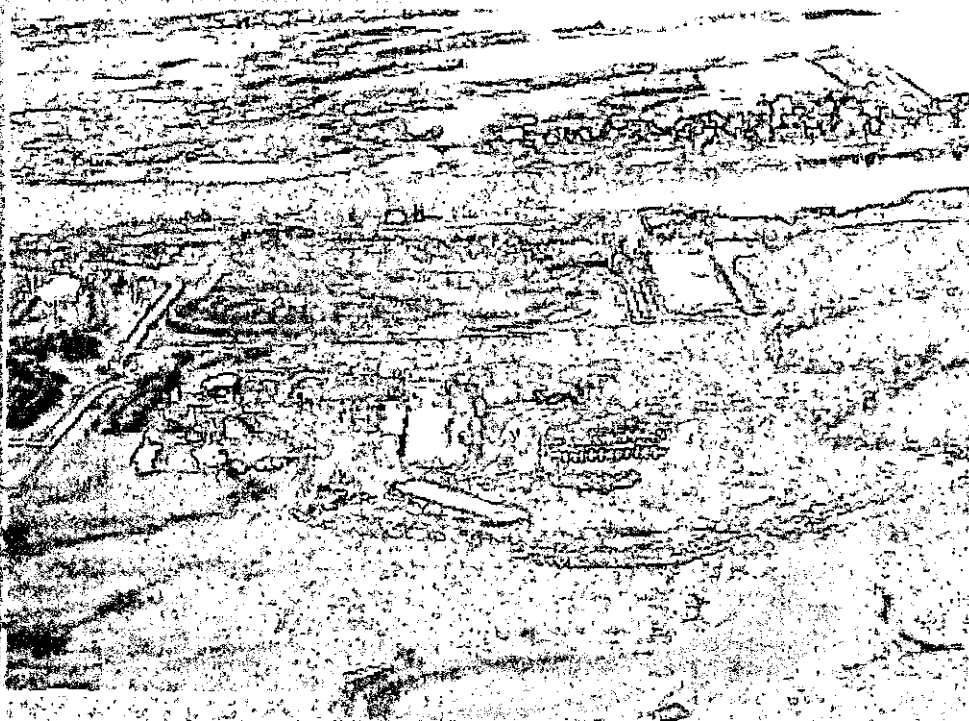
Water, Water, Water

Not enough in Lake Sakakawea

Lake Sakakawea State Park Boat Ramp Extension—The main boat ramp in this park's marina was extended in early spring from its existing bottom elevation of 1,810 feet msl down to 1,800 feet. Based on long-range predictions by the National Weather Service, the U.S. Army Corps of Engineers is predicting that Lake Sakakawea could continue to drop to a record low. With last spring's extension, the ramp is expected to be functional next spring, but work may be required for minor channel excavation near the marina breakwater.

Low Water Ramps at Ft. Stevenson and Indian Hills—Work on extending and widening Ft. Stevenson's low water ramp on Garrison Bay to 1,800 feet msl began this past fall and will be completed next spring. A low water ramp was completed at Indian Hills State Recreation Area.

Garrison Bay, the site for Ft. Stevenson's proposed new marina, is shown at the top of this aerial photograph. At the bottom right of the photo is the park's old marina, now dry.



Garrison Bay Marina Funding—

Planning and engineering work is underway to construct a new marina at Ft. Stevenson State Park. To be located on the west side of the park on Garrison Bay, the new marina will use the existing low water ramp. Construction costs, estimated at \$4.5 million, will be funded and administered by the U.S. Army Corps of Engineers. A provision for federal funding was included in the Omnibus Appropriations Bill for FY2005 signed by President Bush in November.

Lewis & Clark State Park—The marina at Lewis and Clark State Park remains unusable. The department took advantage of the low water level this summer to extend the marina ramp to 1,823 feet, which is the bottom elevation of the channel leading out of the marina.

... and too much water at Devils Lake

Shelvers Grove State Recreation Area Closed—A two and a half foot rise in the water level of Devils Lake forced the closure of Shelvers Grove. Located just east of the town of Devils Lake, this recreation area was popular with over-the-road campers traveling on U.S. Highway 2. Electrical service was removed from the park in June, and it is anticipated that the park will be permanently closed.

At Black Tiger Bay, a boat access area on the southeast side of Devils Lake, a concrete boat ramp was installed and the parking area was raised and extended. The projects were funded by the North Dakota Game and Fish Department.

Grahams Island, North Dakota's major state park on Devils Lake, was full nearly every weekend throughout the summer, and reported an estimated 19 percent increase in visitation over the previous year. A second modern campground was opened in the spring. However, travel to the park could be hazardous. Wind and wave action occasionally pushed debris onto the access road, which is just a foot higher than the lake elevation. Authorization to raise the road elevation across Minnewaukon Flats has been approved, with 80 percent of the costs coming from the federal Emergency Road Fund. Funding sources for the local match are being sought.

Above—Boat ramp at Lake Sakakawea State Park after it was extended to a bottom elevation of 1,800 feet msl.

Lewis & Clark Bicentennial Celebration

Dedication of Ft. Abraham Lincoln Stable—A replica of one of Ft. Abraham Lincoln's cavalry stables opened to the public on Memorial Day. Construction of the 212 by 30 ft. building was completed last fall by members of the 141st Engineer Combat Battalion. Building exhibits depict the role of the horse in western expansion.

Lewis & Clark Monument—The ND Society of Land Surveyors and Professional Engineers placed an historic survey marker near the Fort Abraham Lincoln Visitor Center to commemorate the Lewis and Clark Expedition's role in mapping the Louisiana Purchase.

Other projects at Ft. Abraham Lincoln, begun this past fall with a spring completion date, include the installation of a new entrance sign and the construction of a wheelchair accessible bridge from the Visitor Center parking lot to On-A-Slant Indian Village.

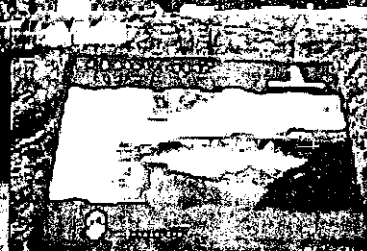
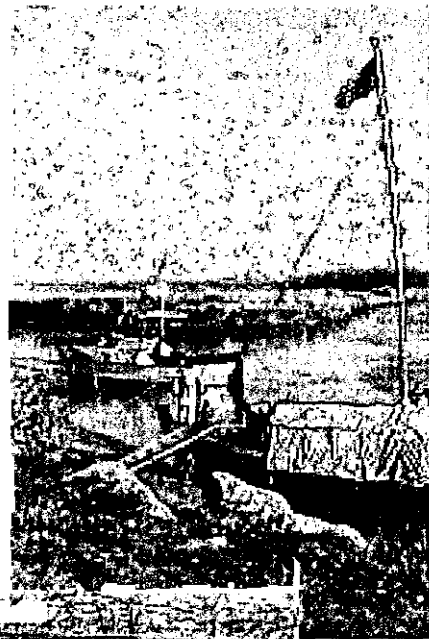
Double Ditch—Trails, landscaping, interpretive signing and improved parking were added to Double Ditch State Recreation Area north of Bismarck. This 116-acre recreation area is adjacent to the Double Ditch Indian Village State Historic Site, managed by the State Historical Society of North Dakota, which is also completing additional trails and signing on the historic site. Eventually, the area will be linked by a hard-surfaced trail to Bismarck's Pioneer Park trail system.

Visitor Programs—Over 9,000 people attended amphitheatre programs, children's activities and hikes in North Dakota's five state parks along the Missouri River. Additional programming was made possible by increased funding for seasonal park interpretive staff. Since adding these positions in 2001, program attendance has grown over 200 percent.

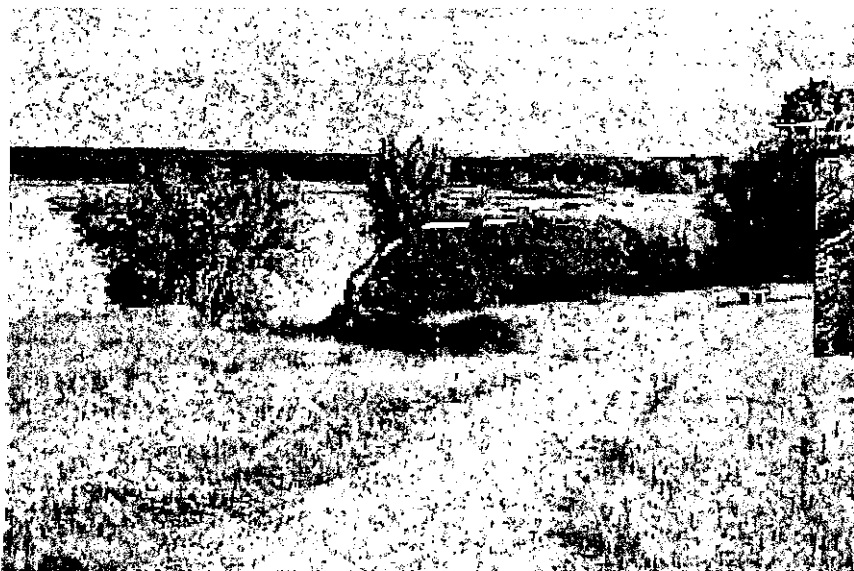
Lewis & Clark Events—In conjunction with the Lewis and Clark Bicentennial celebration, numerous national and regional groups visited trail parks during the year. Notable among them was the 2004 High Plains Rendezvous, a multi-state fur trade encampment held at Cross Ranch State Park. Other visitors included the Discovery Expedition of St. Charles, a private group who are recreating the original journey. Their stops included stays at both Ft. Abraham Lincoln and Cross Ranch.

Interpretive Signs & Information Kiosks—In addition to the fabrication and installation of interpretive signs or kiosks in state parks along the Lewis and Clark Trail, the department refurbished or replaced Lewis and Clark campsite markers along the Missouri River, a project originally completed for the state's centennial in 1989.

Annual Park Permits—To commemorate the bicentennial, the designs of the 2003 to 2006 annual state park entrance permits have a Lewis and Clark theme. The 2004 permit highlighted the role of the expedition as naturalists, while the 2005 permit depicts Sakakawea.



Top—Discovery Expedition of St. Charles at Ft. Abraham Lincoln; above—Cross Ranch State Park interpretive sign; left—vista of Missouri River from Double Ditch.



Special Park Events

North Dakota State Parks hosted over 70 special events throughout the summer, ranging from fishing tournaments to music festivals and historic reenactments. In addition, most parks also host weekend children's activities such as the Dakota Explorer Program, along with campfire programs and guided hikes for all ages.

From the top—Boats take off for a fishing derby at Grahams Island State Park.

Center—Professional photographer Steve Silverman hosted a series of photography workshops at Turtle River State Park.

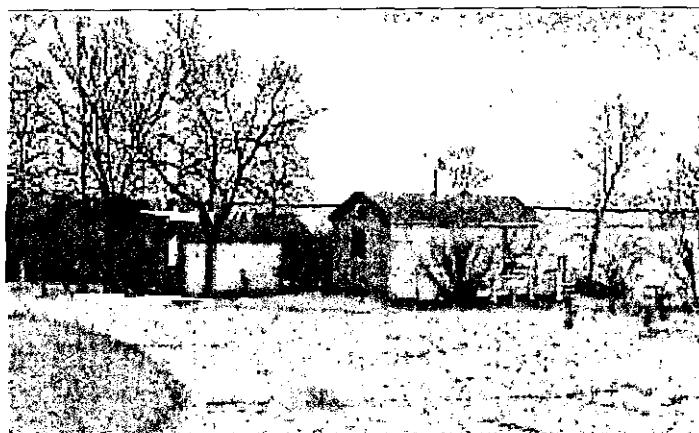
Bottom—Re-enactors at the High Plains Regional Rendezvous at Cross Ranch State Park teach youngsters about the fur trade era that took place at the turn of the century.



Disabled Veteran/POW Annual Permit Discount—North Dakota veterans with 100 percent, service-related disabilities and former prisoners of war are now eligible to receive a free annual entrance permit. Veterans with lesser degrees of service-related disabilities will receive a \$5 discount on their annual park permit. The new program went into effect November 1 when the 2005 park permits went on sale. An estimated 6,500 North Dakota veterans have a service-connected disability and approximately 80 state residents were POWs.

Rural Water at Lake Sakakawea State Park—Construction work is expected to start in early 2005 to bring rural water to Lake Sakakawea State Park and the surrounding area. This multi-agency project will be a boon to the park, which relies on an aging water plant built in 1967.

Campsite Reservation System—A total of 4,726 campsite reservations were made using the toll-free campsite reservation system, up nearly six percent from last year. The service is provided by a Williston-based telemarketing firm. The department also completed an analysis with the state's Information Technology Department on requirements and costs associated with a proposed on-line reservations system.

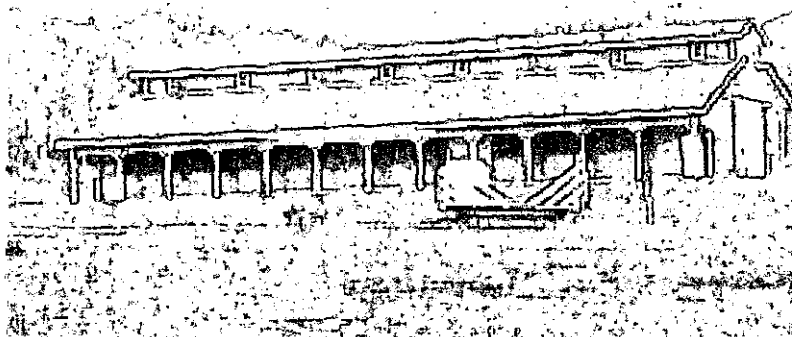


Two sleeping cabins were built overlooking the lake at Beaver Lake State Park.

Beaver Lake Cabins—Two new sleeping cabins were installed at Beaver Lake State Park in late July and were popular with hunters this past fall. These additions to the park near Napoleon were made possible through a donation by Dr. Glenn Hoberg in honor of his pioneer parents. Nine North Dakota state parks now provide some type of lodging for park visitors.

Sunne House Renovation & Antique Machinery Building

The Sunne Farmhouse at Fort Ransom State Park was de-modernized to resemble how it appeared in the 1920s and 1930s. The old farm home will contain some of the original home furnishings to help tell the story of what farm life was like during the early 20th century. Also at Fort Ransom, a 60 by 120 ft. exhibit building was constructed to house pioneer machinery. Construction was funded by the Ft. Ransom Sodbusters Association, Garrison Diversion Recreation Program and the North Dakota Parks and Recreation Department.



Work at Ft. Ransom State Park included, left, the Sunne farmhouse, and above, the antique machinery building. Work on these two buildings was made possible in part by the Ft. Ransom Sodbusters Association. This volunteer group was nationally recognized last fall when they received the President's Award from the National Association of State Park Directors.

Firefighter Training Program—The department adopted a fire fighting training and fitness policy for field staff. In the event of wildfire emergencies, selected park staff are re-assigned to assist in state-wide firefighting efforts.

Park System Reclassification—The department conducted a complete evaluation with Central Personnel of all field staff positions, which had not been reviewed in ten years.

Natural Resources

Tree Risk Assessments—The department developed a tree risk management program to aid in the inspection and removal of hazardous trees in state parks.

Noxious Weeds—Using a ND Department of Agriculture grant, staff continued work on compiling data and controlling noxious weed infestations on state park land. The weed management program uses GIS technology to monitor the effectiveness of control and prevention efforts.

Trail Mapping—GIS technology is also being used to map state park trails, systemwide. To date, detailed color trail maps and trail kiosks have been completed for five state parks.

Natural Heritage Partnerships—The department's Natural Resources Division staff works with a variety of other state and federal agencies on North Dakota's natural heritage issues. Among this year's work were a continued inventory of the prairie fringed orchid, an endangered plant species; conversion of the state's natural heritage database to a GIS-based platform; conservation education materials; and updating a native prairie brochure.



Prairie fringed orchid

Recreation and Trails

Pembina Gorge and Turtle Mountains Trail Plan—The North Dakota Parks and Recreation Department initiated a comprehensive study of recreational trail needs in the Pembina Gorge and Turtle Mountains. The plan will provide an inventory of existing and proposed trails in these areas and identify potential trail corridors. It will also look at methods to reduce resource impact, set construction standards and provide cost estimates. The plan, being compiled by SRF Consulting Group, Inc., Fargo, is expected to be completed by next spring.

On-Line Database—The department initiated two new on-line database services on a new website, www.ndrecreation.com. The website allows recreation providers to list their sites and for the public to search for information on the facilities. A second feature of the website is to provide information and grant management capabilities to facility managers using grants from the federal Land and Water Conservation Fund.

New Scenic Byways—ND Hwy. 200A from Washburn to Stanton was designated North Dakota's ninth State Scenic Byway. In addition, the Killdeer Mountain Four Bears Scenic Byway was extended to 64 miles. The North Dakota Scenic Byways Program is funded by the North Dakota Department of Transportation and administered by the state Parks and Recreation Department. Also during the summer, the state's first nationally designated byway, the Sheyenne River Valley National Scenic Byway, was dedicated.



Take Pride in America—Individuals and organizations who take part in volunteer activities to improve North Dakota's public lands and waterways are recognized through a new initiative called Take Pride in America. Recipients of the 2004 Governor's Take Pride in America awards included Loran Palmer, Helping Hands Program, Southwest Anglers Association, International Mountain Biking Association, Scott Peterson and Lonnie Halverson.

Snowmobile Safety Courses—The department is now offering youth snowmobile safety classes across the state. The four-hour class is required for youth ages 12 to 16 who wish to operate a snowmobile on any land not owned by their parents or guardians. The previous approach used a home-study course and test to teach snowmobile safety that proved less successful, leading to the hands-on class for improved safety education.

ATV Study—An assessment of ATV ownership, registration and needs provided insightful planning for a proactive approach to this outdoor recreation pursuit.



Above, cyclists prepare to compete in the Prairie Rose State Games.

Prairie Rose State Games—An estimated 4,200 North Dakotans competed in the 2004 Prairie Rose State Games in Grand Forks. Over 460 volunteers worked with the Grand Forks Park District to produce this multi-sports festival. Patterned after the Olympics, the State Games Program is a cooperative effort by the department, board of directors and host cities. The Games will be held in Minot in 2005.

Grants to Communities

North Dakota received \$340,215 from the federal *Land and Water Conservation Fund* to provide 50/50 matching grants for outdoor recreation facility projects. Grants were awarded for the following projects in FY2004:

- Sentinel Butte—Pavilion
- Hazen—Downtown pocket park
- Lisbon—Sandager Field renovations
- Rolla—City Park Improvements
- Bottineau—Tommy Turtle Park playground and tennis court renovation
- Mandan—Land acquisition for development of a neighborhood park

North Dakota received \$723,241 under the 2004 *Recreational Trails Program* to fund 80/20 matching grants for motorized and non-motorized trail projects. Grant recipients in 2004 included—

- Legacy Trail, Bismarck
- Crying Hill/ Fortification Hill Trail, Mandan
- Devils Lake park trails
- Harvey Centennial Park trail
- Corrals at Little Missouri State Park
- Maintenance on the Buffalo Gap and Maah Daah Hey trails
- New Salem multi-use path
- Gwinner multi-use path
- Lincoln Park trail
- Roughrider OHV trail
- Snowmobile Trail grooming equipment, Snowmobile North Dakota



ND Parks & Recreation Dept. facilities, programs & employment procedures are open to all, regardless of age, sex, race, color, disability, religion, national origin or political affiliation. Contact us prior to your visit if you need an accommodation for a disability. For an alternate format of this publication, contact:

ND Parks & Recreation Department

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Bismarck, ND 58503
Ph. 701-328-5357

E-mail parkrec@state.nd.us
Camping reservations 800-807-4723
www.ndparks.com

January, 2005

#2-1020

**LEWIS AND CLARK BUDGET – 2005-2007
NORTH DAKOTA PARKS AND RECREATION DEPARTMENT**

Bicentennial Improvements and Programs

Rehabilitation/Renovation:

2005

- Rehab Fort Stevenson Campground \$160,000

2006

- Rehab Lake Sakakawea campground utilities \$145,000

Total \$305,000 (Includes A/E fees)
\$305,000

Interpretive and Operation Support:

Additional temporary interpreters \$26,680

Additional temporary operation and maintenance staff \$42,020

Total \$68,700
\$68,700

Programming and Promotion:

Additional events support \$7,500

Additional printing and production -- Reprint Brochures

Workbooks, Literature \$10,225

Total \$17,725

\$17,725
\$391,425

Total Bicentennial Programs

Continuing Programs

Interpretive and Operation Support

Staff Interpretive Education – FTE Cross Ranch \$72,458

Temporary interpreters \$41,520

Operation and Maintenance temporary staff \$38,240

Total \$152,218
\$152,218

Programming and Promotion

Events support \$1000/year/5 parks \$10,000

Materials/supplies \$1000/year/5 parks \$10,000

Printing and Production Brochure/passes \$48,930

Total \$68,930

\$68,930
\$221,148

Total continuing programs

Total Appropriation Request 2005-2007

\$612,573



**FORT
ABRAHAM
LINCOLN
FOUNDATION**

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E-mail: falf@tic.bisman.com
www.FortLincoln.com

**Comments of Tracy Potter, Fort Abraham Lincoln Foundation,
on HB1020**

Chairman Holmberg and Members of the Senate Appropriations
Committee,

My name is Tracy Potter, I have been the President and Executive
Director of the Fort Abraham Lincoln Foundation for eleven years.
Prior to that I was in your state Tourism Department, Parks and
Tourism Department, and the Tourism Division of the Economic
Development Commission.

I am here in support of the state Parks budget. That support, I must
admit, has more of a philosophical base, than it is the result of a detailed
analysis of Mr. Prchal's budget. I haven't looked at it closely, and Doug
hasn't asked me to testify, but I do know that North Dakota historically
ranks in the bottom five of all states in two state parks-related
categories: acreage and funding. I also know that state parks are an
essential component in a state's tourism product. Tens of thousands of
Canadians come to North Dakota to enjoy Icelandic State Park, Lake
Metigoshe State Park and even Turtle River State Park. Tens of
thousands of visitors from all over the world are lured to Fort Lincoln
State Park. These visitors bring money and leave some of it behind
when they go home.

The parks weren't built to attract tourists, they were established to
preserve some important piece of North Dakota's history and natural
beauty. They were built to provide educational and recreational
opportunities for North Dakotans. The happy coincidence is that they
are also good for our economy. It's the great thing about tourism, it
provides us with the economic justification to do the things we want to
do anyway. We want parks, we want to preserve our heritage, and
tourist dollars justify us doing just that.

Beyond this bit of philosophy, I am here for one specific reason ...
money for the Fort Abraham Lincoln Foundation.

You will see that the House amended the executive branch's
recommendation to add grants to the Fort Abraham Lincoln Foundation,
the Three Affiliated Tribes, the Lewis and Clark Fort Mandan
Foundation, the Indian Affairs Commission, Standing Rock and the
Cowboy Hall of Fame. These are all worthy projects. I will attempt to
justify retention by the Senate of the grant to my foundation.

You will find attached a sheet showing the Fort Abraham Lincoln

Foundation's Interpretive Program Income and Expenses for the years 2003 and 2004. A quick glance at the bottom line shows that as a non-profit we are very good at one thing - not making a profit. We spent \$148,000 more on interpretation than we took in at the gate in 2003. We did a little better in 2004, losing only \$134,000.

You don't have to shed tears for us. It's our mission after all, our reason to be, and we have solicited grants from private sources and from Congress, that cut those losses about in half. On the other hand, there are a lot of expenses of operating an interpretive program that don't show up here. I'm not in here, for instance, nor is my office rent and utilities. Neither is our bookkeeper who pays the staff and the bills, nor the auditors who review the operation. The costs associated with fundraising aren't in here. Neither is the liability or property insurance needed to operate. Neither is the maintenance of the grounds and buildings, buildings that have far more than standard maintenance needs, because they were built to be accurate to 1875. Besides having our own maintenance staff doing work at Fort Lincoln, we gave a \$10,000 grant to the Parks Department last year to help fund a 3/4 time maintenance FTE you approved for Doug in 2003, as long as he could find "other funds" with which to pay for it. This sheet doesn't include our annual contribution to the permanent maintenance trust established for the historic buildings we've reconstructed at Fort Lincoln.

Whew! You can see what a daunting prospect it is to put together a budget for the foundation. I know you sympathize, but you might be wondering, what's all this have to do with us?

Simply this. We are involved in a very successful public-private partnership. The state would have never made the investment of more than \$5 million in infrastructure represented by the Custer House, Commissary, Granary, Barracks, Stable, Council Lodge and four other Mandan Indian earthlodges at Fort Lincoln State Park. The state would never have developed a world-class living history interpretive program with three full-time and twenty summer employees that so exuberantly loses money. The parks department could not spend \$51,000 promoting visitation to the site. The Fort Abraham Lincoln Foundation does this on behalf of the state. Then every other year, the state says "Thank you, keep it up," with a small grant to help balance our budget, provide flexibility to our programs and to give us the confidence to continue to grow and improve North Dakota's number one historical tourist attraction.

Thank you for your attention. I would be glad to answer questions here, by phone at 663-4758, or by email at tracy@fortlincoln.com.

Fort Abraham Lincoln Foundation Interpretive Program Income and Expenses

	<u>Dec '04</u>	Jan - Dec '04	Jan - Dec '03
State Park Income	64,759.46	142,641.10	139,120.40
Expense			
Donations	0.00	0.00	777.69
Depreciation	323.81	1,934.88	0.00
Events	57.00	5,769.71	0.00
Employee Benefits	873.90	11,345.95	4,503.36
Maintenance	529.99	2,423.83	5,605.73
Advertising	2,914.00	51,665.08	51,904.09
Payroll Taxes	932.28	13,467.53	13,442.53
Contract Labor	0.00	3,750.00	23,228.00
Equipment Rental	0.00	587.81	863.70
Miscellaneous	394.00	1,409.00	550.00
Office Supplies	189.30	1,418.16	1,179.39
Payroll Expenses	11,715.87	159,422.62	155,423.84
Printing and Reproduction	0.00	316.93	14,035.00
Supplies	226.39	7,901.23	6,709.90
Travel & Ent	4,650.58	9,303.88	6,777.62
Utilities	2,456.03	5,947.74	2,175.44
Total Expense	<u>25,263.15</u>	276,664.35	287,176.29
Net Interpretive Income (Loss)	<u>39,496.31</u>	-134,023.25	-148,055.89

*A copy of this
document is filed
with testimony on
HB 1018*

The Economics of Access to Graham's Island And Graham's Island State Park

June 29, 2004





MANDAN, HIDATSA & ARIKARA NATION
Three Affiliated Tribes • Ft. Berthold Reservation
404 Frontage Road • New Town, ND 58763-9402

59th LEGISLATIVE ASSEMBLY
SENATE COMMITTEE ON APPROPRIATIONS
HONORABLE RAY HOLMBERG, CHAIRMAN & COMMITTEE MEMBERS

TESTIMONY OF TEX G. HALL, CHAIRMAN
MANDAN, HIDATSA & ARIKARA NATION
ON HOUSE BILL 1020

Chairman Holmberg and Committee Members. My name is Tex Hall and I am the Chairman of the Mandan, Hidatsa & Arikara Nation. Thank you for allowing me to testify before you today.

HB 1020 includes funding that is very important to the Mandan, Hidatsa & Arikara Nation as it provides \$100,000 for the Lewis & Clark Bicentennial Signature Event hosted by our Tribe in August of 2006 and \$50,000 for First Nations Day which is recognized the Friday preceding Columbus Day each October.

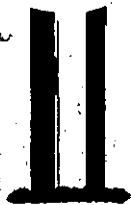
The Mandan, Hidatsa & Arikara Nation would like to thank the North Dakota State legislature for supporting our Signature Event and investing in North Dakota. We estimate that the Tribes will spend over a \$1,000,000 and we appreciate the State's contribution to this very special event.

We are pleased to report that we have many out-of-state and out-of-country visitors that have already made reservations to attend the signature event. Twenty of the reservations are attributable to reservations made by individuals from England. All of these people will be flying into or traveling through the great State of North Dakota and spending their money here. Thus, this appropriation truly is an investment in the State and a great contribution to a special and exciting event. Again, thank you.

The 58th Legislative Assembly formally recognized the first Friday preceding Columbus Day as First Nations Day. Unfortunately, the State did not appropriate any money for any festivities to recognize the contributions that North Dakota's tribes have made to the State and the Nation. We appreciate the State's recognition of this day but believe that the State legislature should set aside funding for the festivities associated with First Nations Day. The Mandan, Hidatsa & Arikara Nation alone has contributed approximately \$25,000.00 over the past two years to help fund these festivities. We believe that the celebration of this day will serve an educational purpose and assist the State and the Tribes in bridging the gaps on Indian and non-Indian relationships by bringing a greater understanding of our culture to non-Indians through their observation and participation in these festivities. Thus, we appreciate the State's appropriation to First Nations Day and believe that it is a great investment toward improved relations between our people.

For all of these reasons, I urge this committee to recommend a DO PASS on HB 1020.

B1020



INTERNATIONAL PEACE GARDEN

Presentation to the 2005 North Dakota House Appropriation Committee

January 13, 2005

House Bill 1020

Senate Bill 1020

EXECUTIVE

Dr. David F. Anderson
President

Pat DeMers
Vice President

John McQueen
Executive Director

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Brian Boppre
Janor Cameron
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peacegarden.com

To the Chairman and Members of the House Appropriation Committee

My name is John McQueen and I have been the Executive Director of the International Peace Garden for the past five years. I am pleased to be here today to report on Peace Garden activities for the past two years and to provide information on where we are headed in the future

Since my last appearance before this board there have been two major additions to the Peace Garden, a 9/11 memorial site and the North American Game Warden Museum. The 9/11 site has attracted many visitors and favorable comments over the last two years. The North American Game Warden Museum is expected to be completed by this spring and it is a most impressive building that will certainly draw significant public attention.

We presently have an excellent web site at www.peacegarden.com that receives a large number of electronic visits from residents who reside outside the state of North Dakota. As a result of this web site, we receive many requests for information about the International Peace Garden. During the last year we have averaged 1000 visits per day during the winter months and up to 3000 visits per day during the peak periods. We have no way of determining how many of these requests eventually result in a visit to the Peace Garden but we do believe that there are many individuals who come to the Peace Garden as a result of our web site.

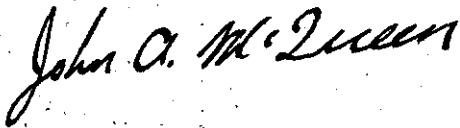
In the attachments to this report there is a proposed two year budget for the International Peace Garden. All money is in American dollars. The left-hand column is the budget for the Canadian side of our operation with the funds converted to American dollars. The center column is the budget for the American side of our operation in American dollars. The right-hand column is a combined American-Canadian budget in American dollars. Conversion rates at the present time are approximately \$US 1.00 = \$CDN 1.22 or \$CDN 1.00 = \$US 0.82.

The annual funding being asked of the State of North Dakota is the same as in past years (\$US182,291) less the 5% reduction (\$US 9,115) for a total of \$US 173,176. For the two year North Dakota budget period this amounts to \$US 346,352.

In addition, the International Peace Garden is requesting an additional one-time allotment of \$250,000 for use in furthering its ongoing project the International Peace and Conflict Resolution Center. To date architectural plans have been created and a business plan has been developed. The next step is to arrange for blueprints to be drawn and final funding to be arranged.

The level of support provided by the State of North Dakota to the International Peace Garden is much appreciated. In this I am referring not only to the generous funding that has been provided each year but to many other things as well; support from the Parks and Recreation Department; support from the support from the wildlife department with our deer and moose problems, for the vehicles that you provide at a most reasonable cost for Peace Garden use and for the snowplows that come through the park after every snowfall or storm;. On behalf of the International Peace Garden board and from myself as well: thank you very much for your support over the past years.

Yours truly:



John A. McQueen
Executive Director
International Peace Garden

Peace Garden Statistical Information

Number of employees at Peace Garden

Full time	5
Part time	45
Involved with other groups located within Peace garden	50

Annual Visitation June, July, August – 115,000 (2004 est.), balance of year – 10,000

Visitation by State or Province of origin (based on a two week vehicle survey in 2000)

American	60% of total
North Dakota	30%
Minnesota	11%
Other States	19%

Canadian	40% of total
Manitoba	30%
Saskatchewan	06%
Other Provinces	04%

Entry Fee 2005 \$10.00 per car, \$100.00 per commercial bus
 Entry Fee 1999 \$8.00 per car, \$80.00 per commercial bus
 Since 1990, vehicle fee has risen from \$4.00 per vehicle to \$10.00 per vehicle

School Buses June July August \$25.00, other times no charge

Financial Information (All funds in US dollars, 2004)

	American	Canadian
Federal Government	\$0	\$18,450
State/Provincial	\$176,427	\$149,400
Internally generated	\$225,800	\$170,200

Miscellaneous tourist expenditures amount to approximately 60% of gate revenue.

	1990	2004	Increase
North Dakota Grant	\$ 165,170	\$176,427	+ 7 %
Manitoba	\$ 61,300	\$182,200	+ 290 %

Value in 2004 of a 1990 dollar is \$1.42

PROPOSED BUDGET FOR THE CALENDAR YEARS 2005/6

- does not include emergency expenditures which have amounted to \$ US 37,000 per annum for the past two years

	CANADIAN BUDGET IN \$ US 2005/6	AMERICAN BUDGET IN \$ US 2005/6	COMBINED BUDGET IN \$ US 2005/6
INCOME			
Total 4-1000 · GOVERNMENT REVENUE	\$409,820	\$352,854	\$762,674
Total 4-1100 · FACILITY REVENUE	\$232,000	\$458,756	\$690,756
Total 4-1200 · MISCELLANEOUS REVENUE	\$18,600	\$81,786	\$100,386
Total 4-1400 - ASSETS RELEASED - RESTRICTED	\$16,400	\$20,800	\$37,200
TOTAL INCOME	\$676,820	\$914,196	\$1,591,016
EXPENSES			
Total 6-1000 · PAYROLL	\$440,000	\$410,000	\$850,000
Total 6-1100 · ADMINISTRATION	\$28,000	\$26,000	\$54,000
Total 6-1200 · TRAVEL	\$3,200	\$4,800	\$8,000
Total 6-1300 · MARKETING AND PROMOTION	\$40,000	\$40,000	\$80,000
Total 6-1400 · GENERAL OPERATIONS	\$62,000	\$280,000	\$16,600
Total 6-1600 · HORTICULTURAL	\$2,000	\$28,000	\$30,000
Total 6-1700 · BUILDINGS AND GROUNDS	\$44,000	\$66,000	\$110,000
Total 6-1800 · OTHER EXPENSES	\$24,000	\$2,400	\$26,400
Total 6-1900 · CAPITAL OUTLAY	\$12,600	\$1,400	\$14,000
TOTAL EXPENSES	\$658,400	\$872,600	\$1,531,000
NET INCOME/LOSS	\$18,420	\$41,596	\$60,016

HB 1020

Andrist, John M.

Our board of directors is very excited about the International Centre for Peace and Conflict Resolution. If the House concurs, our \$250,000 budget enhancement approved by your committee will allow us to launch our fundraising campaign as soon as the funds become available, I suspect July 1 of this year. As you know, the Canadian government looks upon this project very favorably. We believe this is the kind of project which will attract the large donors necessary to fund our U.S.

matching share, as well as many smaller contributors who want to be a part of this process.

We expect construction to be underway during our 75th anniversary year in 2007.

Jim Fuglie

Presentation to the 2005 North Dakota Senate Appropriation Committee
International Peace Garden
March 3, 2005
House Bill 1020

To the Chairman and Members of the Senate Appropriation Committee:

My name is Jim Fuglie and I am a board member of the International Peace Garden. I am pleased to be here today to report on Peace Garden activities for the past two years and to provide information on where we are headed in the future.

Since the last appearance of the Peace Garden before this board there have been two major additions to the Peace Garden, a 9/11 memorial site and the North American Game Warden Museum. The 9/11 site has attracted many visitors and favorable comments over the last two years. The North American Game Warden Museum is expected to be completed by this spring and it is a most impressive building that will certainly draw significant public attention.

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In addition, the International Peace Garden is requesting an additional one-time allotment of $\text{\$250,000}$ for use in furthering its ongoing project the International Peace and Conflict Resolution Center. To date architectural plans have been created and a business plan has been developed. The next step is to arrange for blueprints to be drawn and final funding to be arranged.

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PROPOSED BUDGET FOR THE CALENDAR YEARS

does not include emergency expenditures which haveum
for the past two years

		COMBINED BUDGET IN \$ US 2005/6
INCOME		
Total 4-1000 · GOVERNMENT REVENUE	\$	762,674
Total 4-1100 · FACILITY REVENUE	\$	690,756
Total 4-1200 · MISCELLANEOUS REVENUE	\$	100,386
Total 4-1400 · ASSETS RELEASED - RESTRICTED	\$	37,200
TOTAL INCOME	\$	1,591,016
EXPENSES		
Total 6-1000 · PAYROLL	\$	850,000
Total 6-1100 · ADMINISTRATION	\$	54,000
Total 6-1200 · TRAVEL	\$	8,000
Total 6-1300 · MARKETING AND PROMOTION	\$	80,000
Total 6-1400 · GENERAL OPERATIONS	\$	342,000
Total 6-1500 · WATER TREATMENT	\$	16,600
Total 6-1600 · HORTICULTURAL	\$	30,000
Total 6-1700 · BUILDINGS AND GROUNDS	\$	110,000
Total 6-1800 · OTHER EXPENSES	\$	26,400
Total 6-1900 · CAPITAL OUTLAY	\$	14,000
TOTAL EXPENSES	\$	1,531,000
NET INCOME/LOSS	\$	60,016

Program: INTERNATIONAL PEACE GARDEN

Reporting Level: 00-750-500-00-00-00-00000000

PROGRAM PERFORMANCE MEASURES

To provide high level viewing satisfaction and quality customer service to visitors.

PROGRAM STATISTICAL DATA

The Peace Garden is enjoyed by 150,000 visitors from more than 70 countries each year. A visitor survey taken of 2500 vehicle license plates indicated that 60 % were from the United States and 40% from Canada. North Dakota and Manitoba each accounted for 30% of the total. Each year approximately 4200 individuals take advantage of the music and sports camp programs offered in the Peace Garden.

The International Peace Garden employs five individuals on a year round basis and another 40 on a seasonal basis with positions varying in length from two months to six months. The International Music Camp and the Royal Canadian Legion Sports Camp also employ an estimated fifty individuals over the summer months.

More than 150,000 flowers are planted in the formal garden area each summer.

EXPLANATION OF PROGRAM COSTS

Program costs include an annual grant for supplemental funding to operate the Garden. The funding is split in two equal payments paid on July 1 of each fiscal year.

PROGRAM GOALS AND OBJECTIVES

Program objectives include efforts to increase the economic impact of recreation and tourism, deliver cost effective, quality government services, and promote comprehensive, integrated planning and management of our natural resources that balances preservation, conservation, and consumption.

Attendance has increased by approximately 2% per year for the last two years.

The International Peace Garden

Be a part of the Peace Garden's mission to promote peace! As a non-profit organization, the Peace Garden counts on donations and gate fees to continue with its longstanding commitment of its memorial to Peace.

North Dakota / Manitoba Border

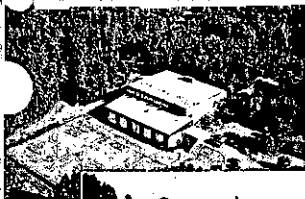
Contributions can be sent to the following addresses:

In Canada: Box 419, Boissevain, MB R0K 0E0

In the United States: RR1, Box 116, Dunseith, ND 58329

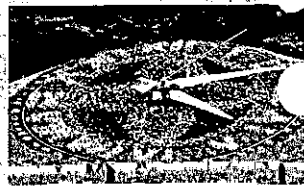
All contributions to the International Peace Garden are tax deductible. For more information on the International Peace Garden please call toll free 1-888-432-6733.

Printed in Canada by Greenpeace International, 1999



The International Peace Garden is the proud home of the International Music Camp and the Royal Canadian Legion Athletic Camp. Students attend these camps from all over the world. Hundreds of youth spend their summer learning and growing from these camp experiences. The music concerts are free to the public.

Beautifully treed, spacious campsites in the park campground for campers of all ages to enjoy! Accommodations for any type of camper, trailer or tent. Join us for a wonderful camping experience.



The Floral Clock is a popular attraction. It is 18 feet high, and displays a new fresh floral design each year. Be sure to get a picture!

The Carillon Bell Tower – The tower has 14 chimes weighing a total of more than 20 tons. The bells chime every 15 minutes and on the hour.

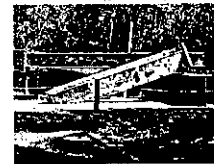


The Peace Towers stand 120 feet high symbolizing people from four corners of the earth coming together to form two similar but distinct nations with a common base of democracy and beliefs.



The Peace Chapel features dozens of quotes from "people of peace" etched into beautiful fossil embellished limestone walls. The chapel is non-denominational and open to everyone. It is truly inspirational!

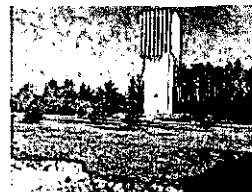
Twisted girders, rescued from the devastation of the World Trade Center in New York, now rest in the



International Peace Garden, a symbol of peace and democracy. In the garden's chapel lies open a book of remembrance, displaying the names of the victims of 9.11. A vivid reminder of how we all must work together for peace for all citizens.

The International Peace Garden is the perfect vacation stop, with all the amenities and attractions to make it your favorite destination.

From mid May to mid September we are available for corporate retreats, conventions, workshops, or family reunions. We are also a spectacular spot for weddings.



Business Plan

for the

International Centre for Peace and Conflict Resolution

at the

International Peace Garden

by

Kelwin Management Consulting

in conjunction with

Gaboury, Préfontaine, Perry architect.e.s

July 2004

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Executive summary

The International Centre for Peace and Conflict Resolution, the new Interpretive Center, the Accommodation Centre and the related improvements to the grounds and gardens are collectively described in this document as the Complex. These new developments will build on the powerful legacy and mandate of the International Peace Garden (IPG). Since its dedication ceremony in 1932, the IPG has united the peoples of the world in peace. The Complex will further enhance the IPG's mission and ability to fulfill its mandate at the local, regional, national and international level.

The IPG is the largest garden in the world dedicated to the celebration of peace. Its 2,339 acres bridge the border (888 acres are located in North Dakota and 1,452 acres are in Manitoba) and boast a huge display of annual flowers in the formal garden.

The IPG's current season extends from approximately Mother's Day in mid-May through to late September. The major public events that occur at the IPG are related to music, arts, sports, Canada Day/4th of July celebrations and memorial services. Many private functions, including weddings, are also held during May through September.

The development of the Complex will contribute towards the strategy of developing the IPG into a "destination location".

The vision for the Complex that the IPG Board of Directors has developed is to promote and encourage improved understanding of peace and conflict resolution issues among peoples of different cultures and nations. The resulting benefit will be fewer conflicts and more constructive conflict resolution processes, leading to improved "Homeland Security" for both United States of America and for Canada. The project will create a legacy for both nations in advancing the cause of peace locally, regionally and throughout the world.

This vision for the Complex dovetails very well with the Vision for the IPG, which is to be a gathering place of nations and to celebrate the historic symbolism and significance of the formal garden and the Turtle Mountain Region.¹

International Centre for Peace and Conflict Resolution

The Centre will be the most significant, single building. It will offer a high security venue (including bullet proof glass, secure tunnels, etc.) suitable for meetings of heads of state and other senior national officials.²

The Centre and the other new buildings (the Interpretive Center and the Visitor Accommodation Centre) will incorporate high levels of energy efficiency into their design (i.e. utilizing "green" building technologies). These technologies, while increasing the initial capital costs, will reduce the impact of the buildings on the surrounding environment and will significantly reduce energy usage over the life of the buildings.

¹ International Peace Garden Vision Development Proposal, Gaboury Préfontaine Perry architect.e.s, September 2001, page 18.

² Security features will include bullet proof glass in all exterior windows and tunnels that connect the Accommodation Centre to the Peace and Conflict Resolution Centre

Reducing the resource consumption of the new buildings is consistent with the concern of the peace and conflict resolution community with reducing global conflicts related to resource usage. One of the major causes of historic and modern conflicts has been over resources such as water, energy and raw materials. These buildings can serve as a model for others to adopt "greening" technologies.

The Hall/Path of Peace, which will be located in the Centre's central hall, will create a permanent display of the names of individuals and organizations that have contributed towards the funding the costs of building and maintaining the new facilities. The Hall/Path of Peace will offer a way for people from around the world to play a part in encouraging peace and resolving conflict.

Conference and meeting facilities will be designed to meet the needs of the target market organizations that are expected to attend conferences and/or deliver programming at the Centre. These specific requirements will be defined and confirmed during the market research and market planning phases of this project. The additional market intelligence will be incorporated into the architect's final designs of the Complex.

The resource/reference library will include not only peace and conflict resolution reference collections, but also an extensive horticultural reference collection. The library will have the latest proven high technology electronic tools including an on-line catalogue, terminals, scanners and printers. Patrons will have access to a public reading room and a number of private multi-purpose rooms. Ample space will be provided for library staff areas and storage.

Interpretive Center

The Interpretive Center will be the "knowledge gateway" for visitors who are looking for information regarding the IPG history, facilities, programs, etc. The Center will play a significant role in interpreting the role of gardens in promoting peace and resolving conflicts among and between peoples. The Center will be an indoor extension of the outdoor Garden Complex. It will also provide space for travelling exhibits and First Nations/Native American displays.

Other amenities that will be part of the Interpretive Center will include a restaurant, visitor orientation/interpretation facilities, craft/classrooms, a new gift/souvenir shop and exhibition space

Visitor Accommodation Centre

The Visitor Accommodation Centre will be attached to the Peace and Conflict Reconciliation Centre. The accommodation centre will contain 31 suites and self-contained secure facilities suitable for meetings of heads of state and senior international bureaucrats and business leaders. All areas including the guest suites, lobby, reception area, dining area and lounge, kitchen and administrative offices will be "high security".

Garden Development

Significant improvements will be made to the gardens to highlight the Avenue of the States and Provinces and to highlight the historic significance of gardens in contributing to peace and conflict resolution in many cultures. Improvements to the gardens will include a Garden Development that will allow people to better understand and appreciate other peoples' cultures by understanding the significance of their distinctive types of gardens.

The new Garden Development will include several examples of gardens that originate from different time periods and different cultures.

In addition to the major improvements to the gardens, there will be needed, but less visible, improvements to landscaping and drainage.

Development Process

The IPG Board of Directors has developed a process for the managing the balance of the development of the Complex.

The development process includes the following steps:

1. Development of the Vision and Concept by Gaboury Préfontaine Perry architect.e.s (GPPa) – Completed in 2001 and in early 2002;
2. Development of the Concept/Vision Synopsis (included concept budgets, estimated economic impacts and additional details) – Completed September 6, 2002;
3. Review of Concept and Research and Planning by the Board of Directors for Potential Funding – Completed in 2003;
4. Development of the Business Plan (including further revised Concept/Vision, marketing strategies, revised capital and operating budgets, decisions on future operational issues, potential funding, etc.) – Completed June 2004 and subsequently approved by the IPG Board of Directors.
5. Sourcing Funding – funding will be raised and relationships will be developed with strategic allies and customers during the balance of 2004 and 2005. Initial funding is planned to cover design costs, with later funding approvals to cover all of total project costs.
6. Realigned Business Plan – in light of negotiations with funders, it may be necessary to make minor changes to the Business Plan to realign it with the needs of funders. This realigned Business Plan will be prepared for the IPG Board of Directors' approval – 2005.
7. After funding to cover design and soft costs (in the next step) is confirmed, market research will be conducted and detailed marketing strategies, program outlines and a marketing plan will be developed. This will provide the base information for IPG and their architect (GPPa) to revise and refine the more detailed final design concept/vision. This will include further fine-tuning of the Business Plan and development of the Operational Plan. At their completion, the IPG Board of Directors will approve the revised Business Plan, Operational Plan and Detailed Design – 2005.
8. Complete the final design, engineering, geotechnical, preparation for construction, etc. When these final documents have been completed the IPG Board of Directors will approve proceeding with construction.
9. Construction – 2006 to 2007.
10. Launch marketing strategy – 2006.
11. Grand opening – fall 2007.
12. Construction and warranty wrap-up.

Target Markets & Audiences

Identification of specific target audiences for the Complex is complicated because:

- there is a proliferation of groups involved in peace and conflict resolution;
- there is potential to expand existing user groups; and
- the location creates opportunities and challenges related to distance and seasonality.

In marketing the Complex's *facilities (including food service and related services)*, distinct from the Garden Development, the target audience is essentially program providers or organizations that will host conferences or meetings (and also those that appreciate the architectural beauty of the Complex. IPG will act as a catalyst and facilitator to stimulate new peace and conflict resolution activities including the offering of a full-service package that will serve the needs of these types of clients.

The Centre will also form numerous partnerships and alliances with organizations that will be solicited to deliver programs through the Complex's facilities and resources. These organizations will provide programming that will meet their own needs while supporting the mandate of the Centre.

In marketing *the Complex in total*, the target audience is the general public, especially those that appreciate the architectural beauty of the Complex and the tranquility of the gardens.

Economic Impact

The economic impact of this new development will be significant. It is estimated that 698 person-years of employment will be created just during construction, with a further 119 to 248 jobs on an on-going basis in the future through the stimulation of new economic demand for businesses in the local area (e.g. bed and breakfasts, recreation facilities, restaurants, etc.). The one-time impact on increased GDP during construction is estimated to be Cdn\$37.8 million³. Ongoing in the future is an estimated increase in GDP of Cdn\$4.9 to Cdn\$11.8 million.

Funding

The potential funding sources that are anticipated to provide the funding for the project costs shown above include:

1. Direct local fundraising has in the past been successful, through the Friends of the Garden initiative launched in the surrounding region. It is anticipated that this initiative will provide \$100,000 to the US and Canadian IPG Foundations to assist with the total project costs.
2. A World Appeal to people from around the world to have their names added to the Hall/Path of Peace. It is planned to have several levels of recognition for donations, with the levels planned for \$5,000, \$1,000, \$500 and \$200. To be conservative, these financial projections have assumed only donations at the \$200 level, and have estimated only generating 4,000 names prior to the completion of construction. The initial stone for the Hall/Path of Peace is included in the capital budget, thus, for these names during the first 2 years, the only cost is

³ For simplicity, Canadian dollar values have been used in most references in this document, even though it is recognized that revenue and expenditures will occur in both US dollars and Canadian dollars. The exchange rate that is used in this document is one US\$ = Cdn\$1.33333 or one Canadian\$ = US\$ 0.75. Thus, conversions from the stated Cdn.\$ values can be made to US\$ values by multiplying the Cdn\$ value by 0.75.

for inscription, estimated at Cdn\$50/name. Thus, the net funding/name, after deducting costs, during these first 2 years, is Cdn\$150. With the estimated numbers shown, this will generate a net contribution of Cdn\$600,000 (4,000 x Cdn\$150).

3. Private foundations and donors will be approached. A number have given preliminary positive indications. These institutions, especially in the United States of America, but also in Canada, will be a primary focus of the Development Officer.
4. It is anticipated that the Western Economic Diversification agency of the Canadian federal government will fund the design and "up-front soft costs" for this project, totalling some three-quarters of the Cdn\$ 3.78136 million for the continuous construction approach.
5. The four governments that are directly involved will be approached. These include the United States of America, the State of North Dakota, the federal government of Canada, and the Province of Manitoba.

With the appropriate fundraising plan, the assignment of duties to individual directors, and the formation of a Fundraising Committee, the Board of Directors believes that it will have in place the resources to access the necessary funding.

Endowment Fund

An endowment fund is being established to generate earnings to assist with the operating and maintenance (O&M) costs of the new facilities.

Financial Projections

Proforma financial projections have been prepared and sensitivity analysis has been conducted to confirm the expected feasibility of the project and to examine the downside risk of lower than expected funding and/or revenue.

The Board of Directors is confident that by following the plan that are described in this Business Plan that IPG will be successful in establishing the Complex and fulfilling the vision for both the IPG and for the Complex.

1.0 Introduction

In 2001, the Board of Directors and the Executive Director of the International Peace Garden (IPG) embarked on an extensive study to expand the Peace Mandate at the IPG. With the support of the Canadian federal government, they undertook an extensive three-part study of the region, the site and its proposed improvement. Through their consultants, Gaboury Préfontaine Perry architect.e.s (GPPa), they have developed a concept and plans for the expansion of the IPG's facilities and programs. A key part of this new initiative (the Complex), is the International Centre for Peace and Conflict Resolution, the new Interpretive Center, the Accommodation Center and the related improvements to the grounds and gardens.

The International Centre for Peace and Conflict Resolution (the Complex) will build on the powerful legacy and mandate of the IPG. Since its dedication ceremony in 1932 the IPG has united the peoples of the world in peace. The Complex will further enhance the IPG's mission and ability to fulfill its mandate at the local, regional, national and international level.

The IPG operates as a non-profit organization. Admission fees, profits from the gift shop and food service, and donations provide most of the IPG's operating funds. The IPG receives an annual operating grant from the governments of Manitoba and North Dakota and the Canadian federal government. In addition, some capital project funding has been received from the federal governments of the United States and Canada.

There are four types of memberships – annual, lifetime, corporate and honorary. All types of members are entitled to attend and vote at the annual general meeting. The names of lifetime members are displayed on a plaque in the CCC⁴ Lodge. Currently IPG has 300 lifetime members.

Donations are collected at a number of locations within the IPG park and through the mail and the website. Recently an informal Millennium Peace Campaign was launched to request support from the public to:

- strengthen the IPG as it carries out its mission as a botanical garden designed to commemorate the enduring peace between the nations of Canada and the United States;
- perpetuate the garden's role as a world-class venue for youth-oriented music, athletics, arts and leadership programs to enhance the mental, physical and ethical well-being of mankind through education interpretation and conservation; and
- help complete capital improvements in the Garden, including the relocation of the world-renowned Floral Clock, improvements to the Interpretive Center and addition of playground equipment.

The small horticultural staff (of approximately a dozen people) welcomes the assistance of volunteers to help with the planting of 150,000 annual flowers. Volunteers also assist the interpretive staff to conduct fun and learning experiences including nature hikes, bird watching, watercolour painting and horticultural classes.

⁴ CCC is an abbreviation for the Civilian Conservation Corps, which was established in 1933 as part of the New Deal to provide work and vocational training for unemployed single young men through conserving and developing America's natural resources.

1.1 History & current situation

The International Peace Garden (IPG), which straddles the US-Canadian border, has stood for more than seventy years as an important and unique tribute to the peace and friendship between the people of Canada and the United States of America. The Peace Garden began as a dream of Dr. Henry T. Moore. In 1928 he conceived the idea of a botanical garden on the border between the two countries to commemorate their long peaceful relationship. The IPG was founded as a place *"where the people of the two countries could share the glories found in a lovely garden and the pleasure found in warm friendships"*. – Dr. Henry Moore

Since its dedication in 1932, the IPG has served as a place of inspiration and contemplation for all peoples. It is located at the midpoint of the boundary between Canada and the US – the world's longest unfortified international border. The IPG is the site of a plaque inscribed with the promise that these two nations will never take up arms against one another.

In recent years the Peace Garden has attracted more than 150,000 visitors per year including thousands of guests to the International Music Camp and the Canadian Legion Athletic Camp. Displays change yearly with the planting of 150,000 flowers. The Peace Chapel and Peace Tower, astride the border, provide a quiet place for contemplation. Statements inscribed in the walls attest to the desire of political and religious leaders from around the world for world peace. The lakes, forests, gardens and monuments create a positive atmosphere to consider and celebrate people's desire for international peace, cooperation and reconciliation of peoples and societies.

The IPG is the largest garden in the world dedicated to the celebration of peace. Its 2,339 acres bridge the border (888 acres are located in North Dakota and 1,452 acres are in Manitoba) and boast a huge display of annual flowers in the formal garden.

The IPG garden and facilities are laid out along two major axes. The east-west axis follows the US-Canada border and runs through the centre of the formal garden bounded at the west end by the Peace Tower and at the east end by the entrance gate. The Avenue of the States and Provinces runs north-south through the sunken garden and "highlights the individual national characters through contrasting, yet complementary designs, thereby expressing the differences within shared goals".⁵ The proposed location for the Peace and Conflict Resolution Centre and the new Interpretive Center would be at the north and south end of the Avenue of the States and Provinces, respectively.

The IPG's current season extends from approximately Mother's Day in mid-May through to late September. The major public events that occur at the IPG are related to music, arts, sports, Canada Day/4th of July celebrations and memorial services. A wide variety of private functions, including weddings, family reunions and gatherings are also held during May through September.

⁵ International Peace Garden Vision Development Proposal, Gaboury Préfontaine Perry architect.e.s, September 2001, page 23.

2.0 The vision and concept – International Centre for Peace and Conflict Resolution

2.1 The development of the Complex's vision & concept

Dr. David Anderson became president of IPG in 1999. After some intense soul-searching, it was concluded by the Board of Directors that the IPG had not yet realized its full potential. Many felt that the IPG had lost sight of its focus and its "raison d'être." While significant activities were occurring, such as the 2,950 students attending the International Music Camp over seven weeks, and 1,150 students attending the Canadian Legion Athletic Camp over six weeks, there were visitors such as the thousands of parents bringing their children to the music and sports camps who were looking for something more from the IPG as a "destination location."

In 2003 a temporary memorial display was established at IPG using girders from the wreckage of the World Trade Center in New York. The memorial is designed to commemorate the horrific events of Sept 11, 2001 and the loss of lives that occurred that day. A competition has been held and a winning design has been selected for a permanent memorial. The design by Derrick Wolbaum, Marcus Lund and Tim Kennedy, 4th year landscape architecture students at North Dakota State University captures the messages of "Recall, Reflect and Remember".

It has been recognized that, consistent with the original and ongoing mandate of the International Peace Garden, there is a potential role and an opportunity for the IPG to play a significant role in assisting people(s) to resolve conflicts. The attempts by the Board of Directors to "flesh out" the concept led to seeking professional assistance from Mr. Guy Préfontaine, of Gaboury, Préfontaine, Perry architect.e.s (GPPa). Work commenced in 2001. Just after the completion of the first report on development of the concept, the tragedies of September 11, 2001 occurred. This reinforced and confirmed the importance and need for a new Complex (including the International Centre for Peace and Conflict Resolution, a new Interpretive Center, a new Accommodation Centre and new Garden Development). After the three-stage Development Study had been completed it was determined that significant potential and a great need exists for the development of an International Centre for Peace and Conflict Resolution and related facilities.

The concept design for the Complex has been developed with the assistance of Gaboury, Préfontaine, Perry architect.e.s. The first phase of the concept development process inventoried the natural, cultural and human resources of the IPG and the surrounding region including the establishment of land-use suitability criteria and a planning framework for development based on natural and cultural features and land suitability. The key objective of the development framework was to design facilities, amenities, and a natural setting that will strengthen the effectiveness of the Complex's mission. While achieving this objective, the development will also enhance the IPG as an economic stimulator for the region and help it to evolve into a year round tourism and event destination point.

The second phase of the concept development process was divided into two parts. The first part better defined the buildings and their cost; the spatial and event programming requirements; and the funding strategies and opportunities. The second part provided a detailed preliminary design of the International Centre for Peace and Conflict Resolution, the accommodation complex and the IPG Interpretative Center. It also resulted in the production of preliminary sketch concepts

for the off-site projects including a lodge and golf course, a small commercial development mall and a redevelopment of the existing airstrip.

After the work by GPPa, Kelwin Management Consulting (formerly Kelly Associates) was retained to develop a Concept/Vision Synopsis that included concept budgets, and estimated economic impacts, and provided additional details for the conceptual plans. This was completed in September 2002.

The plan now exists for the next stage in this development process that will further enhance IPG's mandate to promote international peace and conflict resolution. The development of the International Centre for Peace and Conflict Resolution and the related expansion of the Interpretive Center, the gardens and accommodation facilities will firmly establish the IPG as a destination attraction. The speed at which the expansion is able to occur will depend on the amount and timing of funding that can be arranged with governments, foundations and other potential funders.

The project is now ready to proceed as soon as the balance of the funding is confirmed.

2.2 The vision for the Complex

The vision for the Complex that the IPG Board of Directors has developed is to promote and encourage improved understanding of peace and conflict resolution issues among peoples of different cultures and nations. The resulting benefit will be fewer conflicts leading to improved "Homeland Security" for both United States of America and for Canada. The project will create a legacy for all peoples in advancing the cause of peace locally, regionally and throughout the world.

This vision for the Complex dovetails very well with the Vision for the IPG, which is to be a gathering place of nations and to celebrate the historic symbolism and significance of the formal garden and the Turtle Mountain Region.⁶

The development of the Complex will contribute towards the strategy of developing the IPG into a "destination location" rather than a brief stop that visitors make on the way to somewhere else.

It is with this Vision for the Complex in mind that the Concept was "fleshed out" and is described in the next section.

2.3 The concept for the Complex

The concept for the Complex has two primary elements.

The first primary element is the "bricks and mortar" that will be created at the IPG (including, but certainly not limited to the International Centre for Peace and Conflict Resolution, the new Interpretive Center and the Accommodation Centre). These new facilities will be compatible with the existing and future garden developments.

These new assets will in no way detract from the tranquil setting of the beautiful garden atmosphere. In fact, this tranquil, peaceful setting will be a unique "drawing card" to attract people with an interest in peace and conflict resolution to visit the Complex.

⁶ International Peace Garden Vision Development Proposal, Gaboury Préfontaine Perry architect.e.s, September 2001, page 18.

It is recognized and acknowledged by the Board of Directors and management of the IPG that there is a limited need for "just another centre for peace and conflict resolution study." There are dozens of peace and conflict resolution groups/communities/non-governmental organizations operating throughout North America and hundreds/thousands operating around the world.

This new Complex will have a unique offering – the seamless interlocking of the Garden Development with the Peace Centre Complex – which will be an integral part of the marketing program in order to attract people to consider it as a "destination". Please see Appendix 1 for the design of the Complex. The quality and nature of the environment will aid the International Peace Garden in becoming a "destination point" rather than a garden that people visit for a short period of time.

It is recognized that the new facilities must "expand the usage of the IPG into a year-round tourism/event destination, while assuring that existing facilities will be used to their fullest and also assuring that whatever is built will be revenue generating and not become a drain on the resources of the IPG."⁷

The second, and even more important primary element of the concept, is to create a focal point for a concentrated effort that will:

- influence large numbers of people and thus encourage peaceful resolution to human problems and issues;
- provide a complex that will conduct, or foster and facilitate others to conduct activities and programs that encourage or assist in creating a greater understanding of peace and conflict resolution issues among people;
- provide a uniquely tranquil and appropriate location where the world's key business and political leaders can meet in secure facilities to discuss peace, trade and other issues "out of the public spotlight"; and
- provide an excellent venue for hosting conferences/seminars, involving a few participants to several dozen participants, with a local, regional, national, and international focus, with audiences drawn from around the world.

The Complex will provide a venue for, and facilitate the offering of, a full range of conflict resolution services to local clients such as peer mediators and teachers from schools facing challenges with bullying; to broader cultural groups such as First Nations/Native American; organizations such as Corrections Services Canada's Chaplaincy Division and Restorative Justice Office; Mennonite Central Committee (Canada and US); North Dakota Council of Churches; Dakota Enterprise Center; Quakers; and to international groups involved in environmental, trade or property disputes. The Complex's extensive library will also offer theoretical and practical resources on understanding peaceful cooperation and co-existence. The library will be both physical and virtual (via the Internet). The IPG website currently receives up to 2,000 visits per day.⁸

It is envisioned that the Complex will attract individuals, families and groups to stay for several days to undertake individual contemplation of peace and conflict resolution issues utilizing the

⁷ International Peace Garden Architectural Programs & Cost Estimates, Gaboury Préfontaine Perry architect.e.s, Second Stage Project Report, December 2001, page 2.

⁸ Personal communication with Mr. John McQueen, Executive Director of IPG.

library facilities and to attend peace and conflict resolution conferences and seminars that will be delivered by organizations utilizing the meeting facilities that are available at the Complex.

The Complex's unique facilities and programs will be an integral part of an international network of peace-oriented centres potentially including the Carter Center in Atlanta, Georgia; the Pearson Peacekeeping Centre in Cornwallis, Nova Scotia; the Conflict Resolution Center at the University of North Dakota; the Museum of Human Rights in Winnipeg and many other peace and conflict resolution centers around the world. Initial discussions have already occurred with many of the international institutions in anticipation of the development of the Centre, and the linking of resources and activities. This Complex has been designed, through discussion with its sister centres, so that it provides specific unique capabilities not currently available with the existing peace centre network.

The Complex will also form numerous partnerships and alliances with organizations that will be solicited to deliver programs using the Complex's facilities and resources. These organizations will provide programming that will meet their own needs while supporting the mandate of the Complex.

The success of the Complex's initiatives will be fully realized by future generations. Peaceful conflict resolution is a goal worth striving for, and there is no better time than the present to establish this important facility. This is the right project at the right time for a world that is in turmoil. The International Peace Garden is an excellent location for such a complex. The IPG is already recognized as a unique place where people are encouraged to get in touch with others and with themselves.

3.0 Description of current & new facilities

Sections 3.1 through 3.3 provide details of the current facilities and activities at IPG and the activities/amenities that are available in the surrounding area.

3.1 Current facilities

Over its nearly 75-year history, the IPG has developed many prominent and unique features including approximately 180 buildings/structures. Many of these facilities have been constructed by collaborating organizations such as the Masons, Womens Institutes, IOOF and others.

Some of the more significant buildings are described below. A map of the IPG is provided in Appendix 2 of this Business Plan.

Interpretive Center

The Interpretive Center, which is located on the US side of the border just south of the terrace area, is a temporary facility of only 1,000 square feet that provides a history of the IPG, including:

- how it started;
- how it came to be located on the North Dakota-Manitoba border;
- information on some of the key people who were instrumental in establishing the IPG in its early years; and
- many pictures taken from the day that IPG was dedicated in 1932 up to the present day.

The Interpretive Center is the headquarters for many activities including garden tours, horticultural programs, nature hikes and activities for children.

The Interpretive Center contains a mini-greenhouse that demonstrates the process used to get 150,000 flowers ready to be planted in the gardens.

A special feature is a tribute to the young men of the Civilian Conservation Corps (CCC) who spent parts of the six years from 1934 to 1941 helping to build many of the bridges, picnic shelters, roads and the venerable CCC Lodge. The Interpretive Center houses a replica of the CCC Blacksmith Shop, which contains some of the equipment and tools that the CCC used in those early years.

CCC Historic Lodge

The Lodge is the oldest building at the IPG and is located on the South Loop. It is within walking distance of the campground. Its exterior and interior of massive logs provides a rustic atmosphere for meetings, family reunions, conventions, weddings or receptions. Large stone fireplaces flank the ends of the two large convention-sized rooms, adjoining a full-service kitchen. The sprawling lawn provides space for outdoor eating and room to play lawn games. It was built from rock quarried in North Dakota and logs from Manitoba, the first truly international collaboration.

The U.S. Congress, as part of the New Deal program, established Civilian Conservation Corps (CCC) in 1933. The CCC provided work and vocational training for unemployed single young men through conserving and developing the country's natural resources. At its peak in 1935, the organization had more than 500,000 members in over 2,600 camps.

Formal Garden

The IPG is home to one of the world's finest floral gardens, which forms the heart of the central axis of the IPG, is nearly one kilometre in length and includes:

- 150,000 annual flowers;
- water fountains;
- pools and cascades;
- perennial gardens;
- an arbour garden
- an arboretum;
- a sunken garden;
- gazebos; and
- many floral and landscape displays.

Floral Clock

The IPG is home to one of the world's finest floral clocks. In the fall of 1966, Bulova Watch Co. presented the International Peace Garden with an 18-foot working clock. The floral face of the clock is newly designed each year. A floral design of the American and Canadian flags is the only floral design that remains unchanged each year. The ever-changing colours of the flowers, shrubs, and many trees make no two visits alike.

Peace Tower

The Peace Tower's majestic, 120-foot concrete pillars can be seen for miles above the surrounding forest and along North Dakota's scenic by-way, Highway 43. The Peace Tower "stands guard" at the west end of the east-west axis of the IPG. In the Formal Garden, tourists walk between the four solid concrete pillars, which symbolize the gathering of people from the four corners of the world to form two similar, but distinct nations. Illuminated at night, the Tower creates a beautiful glow and a symbol of peaceful unity into the darkness of the world.

The National Park Service, as part of the International Peace Garden's 50th Anniversary, built the Peace Tower in the early 1980's. There is as much concrete below the ground as there is above the ground.

Peace Chapel

The Peace Chapel was built and dedicated in 1970. The Grand Chapter Order of the Eastern Star has sponsored the Chapel since its construction was completed. A church service is held in the chapel each Sunday morning during the summer. It is a popular site for weddings and is a "wonderful place of peace" and a truly inspirational spot.

The main feature of the chapel is the three-encircling walls of flat limestone into which has been engraved quotations spoken or written by "people of peace" throughout history. The lettering receives a continuous wash of daylight from the skylights around the perimeter of the chapel. The limestone is a native stone of Manitoba – commonly called Tyndall stone. Some of the stone is marked with fossils of marine creatures moulded in a bed of tropical sea millions of years ago. The chapel is non-denominational and is open to everyone.

Carillon Bell Tower

The North Dakota Veterans Organization erected the Carillon Bell Tower at the IPG as a bicentennial project in 1976. The fourteen chimes weigh a total of more than 20 tons. Only four sets of these chimes still exist today. They were cast in Crydon, England and donated by the Sifton family to the First United Church of Brandon in 1932. When the church reorganized in 1969, the chimes were donated to the IPG. The lovely tones of the Westminster chimes can be heard through the Peace Garden every 15 minutes.

North American Wildlife Enforcement Memorial Museum and Educational Center

The Museum and Educational Center is a joint initiative of fish and wildlife officers from both Canada and the US. The museum houses displays and exhibits that educate visitors regarding the protection and conservation of our natural resources. Various animal pelts, horns and antlers are displayed for children to see and touch. The facility and programs are dedicated to public education about resource protection and the promotion of the profession of wildlife protection.

The North Dakota Outdoor Wildlife Learning Site is located adjacent to the North American Wildlife Enforcement Memorial Museum and Educational Center. A pathway takes visitors from the museum through an aspen forest, by a waterfall, along a lake and through three wildflower beds.

This museum will house the "Hall of Honors," the first memorial of its kind in the world dedicated to wildlife enforcement officers who have lost their lives while serving to protect natural resources.

The entire area is an official wildlife refuge and wildlife viewing area where visitors can count the birds and spot deer, moose and other animals in their natural habitat. IPG's expansive natural area is home to deer, beaver, muskrat and moose and provides a tranquil place in which to relax, reflect, reminisce and remember. Nature trails wind through bur oak and poplar tree groves.

The International Peace Garden is a 2,300-acre playground featuring nature at its best – native forest with hiking trails, winding bike paths, winter cross country ski trails, a variety of picturesque picnic areas and campgrounds.

Royal Canadian Legion Athletic Camp

The athletic camp is one of the finest self-contained athletic facilities in North America and includes:

- a magnificent Legion Memorial Sports Complex including an artificial surfaced gymnasium, dormitory spaces for over 100 athletes, first aid center, staff lounge, and dining room;
- a rubberized asphalt 400-metre track;
- volleyball, basketball and other courts;
- numerous field event stations (e.g. shot put, etc.);
- a weightlifting area;
- meeting rooms;
- administration offices and storage facilities;
- additional dormitories; and
- a bunkhouse, canteen, corrals and a barn.

International Peace Garden Gift Shop

Amidst bouquets of flowers, terraces, and cascading water lies the International Peace Garden Gift Shop, located on the Canadian side of the border at the head of the terrace area on the north side of the Formal Garden. The gift shop is a temporary facility operating in a restricted space that is inadequate for the future. It sells quality clothing, watches, flowerpots, seed, birdhouses, books, stained glass, cards and other souvenirs for visitors to take home. Profits from the gift shop help to maintain the gardens and other IPG facilities.

Masonic Auditorium

The Masonic Auditorium, located on the South Loop of the International Peace Garden, was sponsored by the Grand Lodge of Masons of North Dakota and Manitoba as a centennial project, and dedicated in 1981. The Masons initiated the project to provide locations for concerts and practice sessions for the youth of the International Music Camp.

Each August, the Masonic Lodges of Manitoba, North Dakota, Saskatchewan and Minnesota and the Order of the Eastern Star attend their annual meeting in the auditorium. The Order of the Eastern Star includes the female relatives of master masons and is the group that sponsored the construction of the Peace Chapel.

The Masonic Auditorium is one example of the numerous shared projects on the IPG grounds that demonstrate the friendships and collaborations between people of the United States, Canada, and many other countries of the world.

The Auditorium was built in a unique design; it is the shape of the Masonic symbol shape, which is a square and compass. The auditorium seats about 2,000 people for the Music Camp and other cultural events. It is also available for rent to the general public. Its large doors open wide, creating an open-air experience, yet remaining comfortable even in hot weather. Each summer the auditorium is used by approximately 3,000 youth from dozens of nations who attend the International Music Camp.

Burdick Performing Arts Center

The Burdick Performing Arts Center is an award-winning, 510-seat auditorium that is used during the International Music Camp and for other performances. It is also available to community groups for local theatre and other performances.

Errick Willis Pavilion

The Errick Willis Pavilion is located on the North Loop of the International Peace Garden. This impressive pavilion, with its glass-balconied front, is nestled in groves of poplar and birch trees. The landscaping includes secluded benches overlooking the pristine Lake Stormon and a water feature along the entrance path.

The Errick Willis Pavilion is named after the late Errick F. Willis, former Lieutenant-Governor of Manitoba. The Canadian and Manitoba governments jointly financed this beautiful facility.

The pavilion hosts a special Mother's Day Buffet and Sunday Buffets July 4th through September 5th. The handicapped-accessible pavilion is well-suited to reunions, conventions, wedding socials, and wedding dances. The seating capacity on each of the upper and lower levels is 125 guests. The lower level includes a full-service kitchen.

The Errick Willis Pavilion has hosted several national and international conferences including the Western Governors and Premiers Conference and 9/11 ceremonies involving state, provincial and federal representatives from Canada and the US.

New York World Trade Center Memorial Site

In May 2002, the Province of Manitoba conceived an idea of constructing a memorial at the International Peace Garden to those who lost their lives in the events of September 11, 2001. The IPG received ten pieces of steel from the wreckage of the World Trade Center and enlisted the assistance of CN Rail and Kleysen Transport to deliver the girders to the IPG site.

Manitoba Premier Gary Doer announced a memorial cairn was to be built to mark the anniversary of the September 11, 2001 terrorist attacks on the United States. "The International Peace Garden is a magnificent and unique site, and I can think of no place more appropriate or fitting for a memorial for this kind," said the Premier.

The 9/11 Memorial is located midway to the Peace Chapel and across from the Bell Tower in the formal garden. A listing of the victims and their country of origin is on display in the Peace Chapel.

In September of 2002 and 2003, the International Peace Garden opened its gates free of charge for a special ceremony to remember the attacks in New York, Pennsylvania, and Washington, D.C. Dignitaries from North Dakota and Manitoba and the federal governments of both countries were present at the ceremonies, as many Canadians and Americans united in solemn reflection. Area students participated in the "Seeds for Peace" program and received a tree to plant as a memorial.

The text that appears on the World Trade Center Memorial Plaque is included in Appendix 3.

Peace Poles

Seven "Peace Poles" (peace poles are handcrafted obelisks that have been erected throughout the world as an international symbol of peace) were donated to the IPG by the Japanese government. The phrase "May Peace Prevail" is written on the poles in twenty eight different languages;

Cafes and Picnic Areas

The Lunch box Café, located on the north side of the parking lot on the Canadian side of the garden, offers a wide range of sandwiches, soups, snacks, fast foods and ice cream during the summer months.

The scenic North Loop Drive runs adjacent to several strategically placed picnic areas; The McKellar Picnic Area, Birch Grove Picnic Area, Maple Picnic Area, and Order of the Eastern Star Picnic Area. Nature is seen at its best at the Ducks Unlimited Dam, Lakeview Hiking Trail, and Lake Lottawatta.

3.2 Current IPG activities and attractions

A number of major events and activities occur at IPG during the mid May to late September time period. The most significant of these activities include:

International Music Camp

Founded in 1956, the International Music Camp (internationalmusiccamp.com) has become one of the largest summer schools for fine arts in the world. A summer staff of more than 200 instructors includes some of the finest internationally renowned guest conductors and artist-teachers. Students have the opportunity to participate in large group classes as well as master classes, theory classes and private lessons. Students attend the music camp from all around the world (more than 2,950 participants annually in recent years)

Eight one-week sessions are hosted each year during the months of June and July – the following arts activities are offered:

Kick-start band	Children's choir	Organ
Chorus	Handbells	Guitar
Show choir	Cheerleading	Jazz band
Orchestra	Piano	Vocal jazz
Cadet band	International youth band	Total percussion
Kick-start for jazz rhythm section	Community choir	Community string orchestra
Junior high and high school band	Marimba and vibes	Community band
Piping and drumming	Drama and creative writing	Fiddle
Dance (including extreme, ballet, modern and jazz)		Community brass band
Visual arts (including basic art, drawing, cartooning, acrylics, watercolours, and portraiture);		

Special 4-day sessions are offered for:

Adult band	Choir
Orchestra	Barbershop chorus (men's and women's)

Students interested in pursuing a career in music education or performance may enrol in a special 4-week Music Honours program.

Concerts, recitals and exhibitions are held Friday evenings and Saturday afternoons from early June to the end of July. These are free and open to the public.

Royal Canadian Legion Athletic Camp

The Royal Canadian Legion Athletic Camp (www.legionathleticcamp.com) has been an integral part of the IPG complex since 1962. The Legion was concerned about Canada's falling fortunes in the area of track and field in the 1950s and decided to do something about it. With the assistance of British National Coach Geoff Dyson and ongoing support of two Winnipeg high school physical education teachers and track coaches, George Phillips and Fred Taylor, the IPG was identified as an ideal location to serve as the permanent location for the athletic camp and its related facilities. Taylor continued his involvement in the program until the early 1980s, when he left to further his educational career. Phillips has continued to act as camp director.

An abandoned 400-metre track, which had been constructed for the Highland Games that were held at the IPG in the 1930s, was resurrected for the use of the athletic camp. Many additional facilities (listed under 3.1) were built by the Legionnaires over the years.

Since 1962 the Legion Athletic Camp has developed into one of North America's top athletic camps for school-aged children and youth. The camp is operated by some of the finest coaches who are available in North America. A large number of the inductees into the Manitoba Sports Hall of Fame each year have attended the Legion Athletic Camp, including such famous athletes and coaches as Angela Chalmers, Michael Smith, Jim Daly and Garth Pischke.

The camp now includes a dozen sports mainly for grade 7-12 youths including track, advanced track, cross-country, gymnastics, football, equestrian, volleyball, basketball, soccer, sailing, wilderness training and judo. There is also an elementary sampler program where grade 4-6 children can participate in a number of sporting and recreational activities for a week.

The camp offers programs for six weeks during July and August each summer. Hundreds of youth attend the athletic camp annually (more than 1,150 participants annually in recent years).

Music Concerts, Festivals and Celebrations

The IPG offers a wide range of music concerts, festivals and celebrations throughout the summer months. Some of the events that are scheduled for May through August 2004 are included in Appendix 4.

In addition to the scheduled activities shown above, there are ample opportunities for visitors to participate in hiking, walking, camping and picnicking at IPG.

3.3 Current local amenities and attractions

3.3.1 Local activities and facilities

In addition to the facilities and activities within the IPG, there are also many opportunities to enjoy the recreational facilities of the surrounding Turtle Mountain and Adam Lake beach and recreation areas including:

- Boissevain (www.boissevain.ca) boasts twenty-five murals on the exterior walls of various buildings depicting the history of the area. Self-guided tour books can be picked up at the Tourist Information Centre; and
- Numerous museums and attractions are located within close proximity to the IPG including:
 - Turtle Mountain Chippewa Heritage Center (www.chippewa.utma.com);
 - Rolette County Historical Society Museum (www.stjohn.nd.utma.com/history_museum.htm);
 - Bottineau County Historical Museum (www.ndtourism.com/attractions/view.asp?ID=176&table=west_exp);
 - Dale and Martha Hawk Museum (www.hawkmuseum.org);
 - Cross Roads Range – family oriented programs and camping (www.crossroadsrange.org);
 - Lake Metigoshe State Park (www.ndparks.com/Parks/LMSP.htm);
 - Highway 43 Scenic Byway (www.ndparks.com/Trails/scenic.htm);

- Beckoning Hills Museum (www.boissevain.ca/museum);
- Moncur Gallery (www.moncurgallery.org);
- Irvin Goodon International Wildlife Museum (www.goodonmuseum.com); and
- Turtle Mountain Provincial Park
(www.gov.mb.ca/conservation/parks/popular_parks/turtle_mtn/index.html).
- An uncontrolled, public international airport is located adjacent to the IPG and is capable of handling small and mid-sized planes. US and Canadian Customs offices are located nearby the 3,000-foot long runway.

3.3.2 Local resorts and accommodations

The IPG Accommodation Centre has been designed for those who require high security accommodations. To accommodate those who do not need highly secure facilities, there are many hotels, motels, bed and breakfasts and resorts located near the IPG in towns such as Bottineau, Belcourt, Boissevain, Killarney, Deloraine, around Lake Metigoshe, and the City of Brandon. These would benefit from the expanded numbers of people who will be attracted to the new Peace and Conflict Resolution Centre, Interpretive Center and Garden Development. These facilities provide accommodations that will be needed to make the expanded IPG and the Complex a "destination location".

IPG intends to continue its policy that it will not compete with private sector facilities within its geographic region. Therefore visitors to the IPG will be encouraged to utilize the accommodations in the region. With the development of the Complex, it is anticipated that the accommodations in the region will expand. Planning is currently underway for additional private sector hotel accommodations. This will assist IPG in offering a range of accommodations

3.4 New facilities

3.4.1 New buildings and garden development

The key elements of the new buildings that will encompass the new International Centre for Peace and Conflict Resolution and the related infrastructure (the Complex) will include the following: (They are visually displayed in Appendix 1.)

International Centre for Peace and Conflict Resolution

The Centre will be the most significant single building. It will offer a high security venue (including bullet proof glass, secure tunnels, etc.) suitable for meetings of heads of state and other senior national officials.⁹

The Centre and the other new buildings (the Interpretive Center and the Visitor Accommodation Centre) will incorporate high levels of energy efficiency into their design (i.e. utilizing "green" building technologies). These technologies, while increasing the initial capital costs, will reduce the impact of the buildings on the surrounding environment and will significantly reduce energy usage over the life of the buildings.

⁹ Security features will include bullet proof glass in all exterior windows and tunnels that connect the accommodation Centre to the Peace and Conflict Resolution Centre

Reducing the resource consumption of the new buildings is consistent with the concern of the peace and conflict resolution community with reducing global conflicts related to resource usage. One of the major causes of historic and modern conflicts has been over resources such as water, energy and raw materials. These buildings can serve as a model for others to adopt "greening" technologies.

The facilities will be constructed in a way that will:

- provide the highest standards of aesthetic design and sustainable use of materials;
- utilize local materials – to limit the environmental impacts of transporting building materials long distances to the site;
- use materials that are grown, harvested or extracted sustainably;
- use materials that are recycled, recyclable or biodegradable; and
- limit the use of synthetic materials.

Having buildings that use locally produced materials and have minimal impact on the surrounding environment is compatible with the concept of natural tranquility and peace that the IPG has come to symbolize over the years.

The Complex will educate the general public regarding the pursuit of peace and conflict resolution; deliver peace and conflict resolution programming; and to house the extensive reference library.

Other amenities that will be part of the Complex will include the following.

The Hall/Path of Peace will create a permanent display of the names of individuals dedicated to the higher goals of peace. Their contribution to the development of the Complex will be acknowledged through the inscription of their name within the Centre itself. The Path is expected to begin in the Centre's central hall and to serve as a visual and physical continuum moving visitors from inside the Centre to the Garden Development outdoors. The exact method of displaying the names will be determined within the detailed design portion of the project as it evolves. One possibility is that the same type of path material will continue through the display area of the centre to the exterior Garden Development. Donor names could be etched in the vertical or horizontal surface along the path. The Hall/Path of Peace will offer a way for people from around the world to play a part in resolving conflict and encouraging peace.

Conference and meeting facilities will be designed to meet the needs of the target market organizations that are expected to attend conferences and/or deliver programming at the Centre. These specific requirements will be defined and confirmed during the market research and market planning phases of this project. The additional market intelligence will be incorporated into the architect's final designs of the Centre amenities which are expected to include reception/waiting areas, administrative offices, lounge and kitchenette, boardroom, numerous meeting/hearing/multi-purpose rooms, classrooms and breakout rooms, communications room, coatroom, washrooms, and janitor/cleaning storage areas.

The Resource/Reference Library will include not only peace and conflict resolution reference collections, but also an extensive horticultural reference collection. The library will have the latest proven high technology electronic tools including an on-line catalogue, terminals, scanners and printers. Patrons will have access to a public reading room and a number of private multi-purpose rooms. Ample space will be provided for library staff areas and storage.

Interpretive Center

The Interpretive Center will be the "knowledge gateway" for visitors who are looking for information regarding the IPG history, facilities, programs, etc. The Center will be an indoor extension of the outdoor Garden Development. Here visitors will learn about the roles that gardens have played throughout history in peace and conflict resolution. It will also provide space for travelling exhibits and First Nations/Native American displays.

Other amenities that will be part of the Interpretive Center will include the following:

- Restaurant/coffee shop facilities (including kitchen and washrooms) will supplement the current café food service in the garden area and the dining room located in the Visitor Accommodations Centre. This is expected to be where most visitors will eat while at IPG.
- Visitor orientation/interpretation facilities will include a reception/waiting area, information kiosks, and an orientation staff office/storage area.
- Craft/classrooms – IPG staff and volunteers will use these rooms to provide orientation and craft classes to visitors.
- A new gift/souvenir shop will replace the existing gift shop and will offer a much wider variety of merchandise. The Interpretive Center will include a storage area for the gift shop and for the craft/classrooms.
- Exhibition space will be provided to host a wide variety of peace-related permanent and travelling exhibitions. Space will be provided for exhibit storage as well as for display areas for permanent and temporary exhibits.

The Interpretive Center will also provide space for staff offices, a staff lounge, storage areas and washrooms.

Visitor Accommodation Centre

The Visitor Accommodation Centre will be attached to the Peace and Conflict Reconciliation Centre. The accommodation centre will contain 31 suites and self-contained secure facilities suitable for meetings of heads of state and senior international bureaucrats and business leaders. All areas including the guest suites, lobby, reception area, dining area and lounge, kitchen and administrative offices will be "high security".

The following amenities will be part of the Interpretive Centre.

- A formal dining room and lounge will serve complete "white table cloth" meals and libations.
- A satellite lounge will allow guests to maintain instantaneous contact with their offices and the "outside world".

Garden Development

Significant improvements will be made to the garden area to highlight the Avenue of the States and Provinces and to highlight the historic significance of gardens in contributing to peace and conflict resolution in many cultures. Improvements to the garden will include the development of a Garden Development that will allow people to better understand and appreciate other peoples' cultures by understanding the significance of their distinctive types of gardens.

The new Garden Development will include several examples of gardens that originate from different time periods and different cultures including:

- Cultural/contemplative gardens including:
 - Paradise/Oasis garden;
 - Japanese dry and stroll gardens;
 - Chinese; and
 - Labyrinth
- Historic – including pioneer which would incorporate natural plants of the Prairies
- Healing – including medicinal plants used by First Nations peoples in the region and the garden itself as a healing tool for mind and body
- Modern peace gardens – including examples of gardens that have been developed in conflict areas (e.g. Butterfly Garden in Sri Lanka)

In addition to the major improvements to the gardens, there will be much needed, but less visible, improvements to landscaping and drainage.

The development plan for the garden area also includes the establishment of an Eternal Flame, a topiary garden, an arboretum, the development of an Art on the Axis area, a native interpretative area and an improvement to visitor orientation facilities.

3.4.2 New IPG activities

The new IPG International Centre for Peace and Conflict Resolution (the Centre), the Interpretive Center facilities and Garden Development will allow the IPG to attract several new types of visitors to the Garden.

One type will be the casual visitor who is interested in spending a full day or more exploring the facilities and learning about peace and conflict resolution and conservation from the interactive displays and the Interpretive Centre seminars while enjoying the tranquil atmosphere of the IPG gardens/horticultural displays and the architectural beauty of the buildings. Some portion of this group will be the parents of participants that are coming to the IPG to attend the Legion Athletic Camp, the International Music Camp or other events.

Another type of visitor will be people who come to the IPG specifically to study at the Centre or to use the resource library, reading rooms and other facilities to broaden their personal (or their group's) understanding of peace and/or conflict resolution issues. This group would include individuals and groups (e.g. key staff of small companies, divisions of larger companies, departments of government or crown corporations) who come to work with a facilitator or instructor to utilize the resource materials and the meeting facilities (e.g. breakout rooms, etc.) to resolve conflict issues or to learn/study the process of conflict resolution.

A third type of visitor will be people who are attracted to the Centre to attend a particular program, conference or meeting, or to view a travelling exhibit that is being offered and promoted by an organization (groups such as Manitoba Mediation Services, Corrections Services Canada, Mennonite Central Committee, U.S. Veterans of Foreign Wars, North Dakota Council of Churches, Dakota Enterprise Center, Consensus Council, Inc., etc.).

A fourth type of visitor will include people who attend social functions (including wedding receptions, parties, etc.) organized by groups who have rented the facilities (including local cultural groups, companies or other organizations). This will build on the current volume of

facility rentals that is already occurring and will extend the season for these activities at both the beginning and the end of the current IPG season.

3.4.3 Related off-site development

In conjunction with the new facilities that are being developed at the IPG, it is anticipated that off-site development will occur.

A new lodge and golf course near the IPG entrance and expanded opportunities for Bed & Breakfast operations in the surrounding area will be stimulated by the increased traffic that will be generated by the new IPG facilities and activities as described above. It is expected that large meetings involving international dignitaries would include large entourages that would likely exceed the capacity of the on-site Accommodation Centre.

It is anticipated that if a new lodge were to be established adjacent to the IPG, that it might provide the food service and operate the accommodations centre on a contract basis. Any such arrangement that might be contemplated would have to deal with potential conflict of interest that the lodge operator might face.

An upgraded airport would be needed to make it easier for the IPG and the Complex to accommodate private jet traffic and thus to attract international organizations and companies to participate in conflict resolution services offered at the IPG Complex. The enhancement of the airport facilities would be very beneficial to the IPG, as it would allow more dignitaries to fly into the IPG and avoid the ground travel from more distant airports.

The off-site commercial development could provide a unique business opportunity for local merchants, as it would give them potential access to the 150,000 visitors per year that the IPG attracts. Improvements to the airport, foodservice, lodging and golf facilities will further enhance the new Complex's attractiveness and economic viability. The development components will be established to transform the IPG from a regional attraction to an international destination area.

The elements of the development plan listed above will create significant economic investment activity in addition to that which is specifically listed under the IPG's initiative (the Centre, Interpretative Center and Garden Complex improvements). These elements are all designed to provide the amenities needed for the Centre to be fully successful in achieving its vision and mandate.

By becoming an international destination attraction, with increased regional and local attendance, the International Peace Garden will attract an increasing number of visitors who will be exposed to the messages of peace and human harmony. It will provide an environment that will encourage attendance at the Complex. Attendees will be oriented to the messages and themes of human understanding and cooperation.

4.0 Development process & timelines

4.1 Development process

The development of a large interrelated set of facilities like the Complex requires a process. As described in sections 1 and 2, the IPG Board has already been formally working on the planning for this project for more than three years.

The IPG Board of Directors is utilizing a process that is described conceptually in this section, and in more specific detail for the balance of the project in section 4.2. This process requires the Board of Directors to make decisions at a number of points in the overall development, with each stage having more information than the previous stage. To manage the development risks of a project of this size, the IPG Board has been progressively investing time and money, on a realistic and cautiously planned basis, to maintain steady progress in developing new, more detailed information that allows progressively more detailed decisions to be made on a sound basis.

This is the proven concept for a successful process. It helps avoid going too far on one "track", without doing sufficient research and analysis on the other "tracks". For example, it avoids going too far with detailed design/engineering of the new facilities without doing the necessary level of detailed market research or financial analysis. This is the sound basis that the IPG Board has utilized, and will continue to utilize, as IPG proceeds with the project to build the Complex.

With this conceptual overview of the process, the key elements of the development plan for the International Centre for Peace and Conflict Resolution project are being carefully coordinated to maintain an appropriate balance between the "three development tracks." These three "tracks" are:

- Track 1 – Concept development, architectural design leading to detailed plans for construction
- Track 2 – Market research and development
- Track 3 – Financial analysis and funding

As shown in the Three Track Development Model below, after each stage, the IPG Board of Directors are required to make a Go/No Go decision. This decision is a decision on whether to proceed to the next stage.

The process outlined in the Three Track Development Model is a logical process that ensures input received (from the strategic allies and the target market customers) will be incorporated into the final design, the final Business Plan and the final Program and Marketing Plans. This ensures that the new facilities are suited to the programs that will be operated and suited to the customers that will attend the new complex.

Three Track Development Model

Architectural Design	Market Research & Development	Financial Analysis & Funding
Preliminary Concept Stage	Preliminary market research to identify benefits, potential customers, market size and segments, competitors, projected revenues, and costs, estimated market development costs.	Pre-feasibility study to estimate costs versus benefits and initial lists of strategic allies and potential funders.
Concept Stage	Go / No Go Decision	Feasibility Study or Concept/Vision Synopsis (as above, but with more narrowly defined ranges of estimates) and more refined lists of strategic allies and funders.
Develop architectural design and specifications to suit expected needs of strategic allies and target market customers and further identify technical challenges.	Additional market research and definition of vision/concepts and matching to strategic allies' and customers' needs and wants (interviews).	
Final Design Stage	Go / No Go Decision	Business Plan (as above, but with more narrowly defined ranges of estimates), to estimate financial feasibility. Preliminary negotiations with strategic allies and funders.
Develop the final architectural design and specifications to suit the needs of the defined strategic allies and target market customers.	Extensive additional market research and evaluation of vision/concepts (as above, but with more interviews and focus groups). Develop preliminary marketing plan.	
Construction Stage	Go / No Go Decision	Finalization of agreements with strategic allies and funders.
Finalize design, EPC, etc., and issue tenders and manage construction project	Ongoing development of relationships with strategic allies and target market customers. Ongoing development of marketing plans.	
Commissioning Stage	Go / No Go Decision	Provide final documentations to funders. Closely monitor financial results to ensure initial targets are being achieved.
Initial use of new facilities to "debug" systems (group bookings, registrations, food service, etc.).	Strategic ally and customer satisfaction testing. Refine detailed marketing plan.	
Launch	Go / No Go Decision	Fine tune previous systems and implement ongoing financial monitoring.
Build volume until full-scale use of facilities is achieved. Fine tune previous decisions in light of new information and experience.	Implement detailed marketing program and monitor results.	

Ongoing Monitoring and Improvement

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An example of the need for the appropriate level of market research is shown by the recent initial discussions with mediators and other peace and conflict resolution practitioners that has identified some examples of specific features that should be incorporated into the designs, including:

- good acoustics in the meeting/breakout rooms that will ensure discussions can be held using normal speaking voices, thereby avoiding the need for microphones and sound systems;
- ample wall space with a surface that can be used to hold flipchart sheets and similar items;
- windows that provide views of peaceful, tranquil scenes; and
- a room design that is conducive to participants easily interacting with one another.

This example shows why the IPG Board has developed and adopted this development process.

4.2 Development timeline

The International Peace Garden Board of Directors has developed a process for the management of the balance of the development of the Complex. The steps have been designed to ensure several criteria are met:

- All decisions made by the IPG Board of Directors occur with information that is appropriate for that stage of the overall development of the project
- The IPG Board is always in control of the strategic decisions for the development of the project and always conducts a formal process for decision making before proceeding to the next stage
- Sufficient detail is developed and approved by the IPG Board for the Board to be confident that the planning is sound; prior to seeking funding
- Detailed planning (and the costs of design, engineering, geotechnical, etc) occurs after initial funding is confirmed, based on the first Business Plan.

The development process includes the following steps:

1. Development of the Vision and Concept by Gaboury Préfontaine Perry architect.e.s (GPPa) – Completed in 2001 and in early 2002;
2. Development of the Concept/Vision Synopsis (included concept budgets, estimated economic impacts and additional details) – Completed September 6, 2002;
3. Review of Concept and Research and Planning by the Board of Directors for Potential Funding – Completed in 2003;
4. Development of the Business Plan (including further revised Concept/Vision, marketing strategies, revised capital and operating budgets, decisions on future operational issues, potential funding, etc.) – Completed July 2004 and subsequently approved by the IPG Board of Directors.
5. Sourcing Funding – funding will be raised and relationships will be developed with strategic allies and customers during the balance of 2004 and 2005. Initial funding is planned to cover design costs, with later funding approvals to cover all of total project costs.
6. Realigned Business Plan – in light of negotiations with funders, it may be necessary to make minor changes to the Business Plan to realign it with the needs of funders. This will be prepared for approval by the IPG Board of Directors – 2005

7. After funding to cover design and soft costs (in the next step) is confirmed, market research will be conducted and detailed marketing strategies, program outlines and a marketing plan will be developed. This will provide the base information for IPG and their architect (GPPa) to revise and refine the more detailed final design concept/vision. This will include further fine-tuning of the Business Plan and development of the Operational Plan. At completion, IPG Board of Directors will approve the revised Business Plan, Operational Plan and Detailed Design – 2005
8. Complete the final design, engineering, geotechnical, preparation for construction, etc. When these final documents have been completed the IPG Board of Directors will approve proceeding with construction – 2005/2006
9. Construction – 2006/2007
10. Launch marketing strategy – 2006
11. Grand opening – fall 2007
12. Construction and warranty wrap-up.

The above criteria, stages and steps have been developed based on experience that has shown they are needed for successful management of projects such as the development of the Complex.

Project delivery process

The Board of Directors of IPG will manage the overall project by retaining professional services that will represent the interests of IPG to manage the overall construction project, by utilizing the expertise of the IPG management team, and by utilizing the construction and project management experience of board members.

Members of the IPG Board of Directors include individuals with legal, business, educational, horticultural, architectural, construction and other types of relevant project management experience. The Board of Directors is confident that the combined experience of the board and the staff, supplemented by the expertise to be provided by the architect (GPPa), will be sufficient to oversee the management of this large project.

Upon approval of government funding, IPG will retain the expertise and resources of the architect, Gaboury, Préfontaine, Perry architect.e.s to represent IPG's interests during the development process for this project. They will also appoint an associate architect from the state of North Dakota. IPG will conclude an agreement (Royal Association of Architects Document 6 Standard Client/Architect Agreement) for delivery of the project that sets out all of the terms, conditions and details of project delivery. The architects are bound by their licence to deliver the contract and to carry Errors and Omissions (E & O) Insurance for the scale of the project. This contract is for managing the overall process of development and includes the architect, Gaboury, Préfontaine, Perry architect.e.s, undertaking to:

- produce a complete project delivery critical path outlining milestones in project design; construction document preparation and review; and complete construction administration for the client's review and approval which will be aligned with available budget amounts and timing;
- complete design drawings to detailed design with review and approval by the client;
- engage landscape architect, interior designer, acoustic consultant, quantity surveyor and structural, mechanical, electrical and civil engineers and to co-ordinate their work and their input into the final construction document package;

- prepare and seal complete construction document package;
- manage the tender process on behalf of the client; review tender submissions assuring that all bond and insurance requirements are in order; recommend to the client the submission that best responds to their needs; award construction contracts on behalf of the client;
- review and advise client on issues regarding contract of engagement to successful bidder; and
- undertake, on behalf of the client, construction administration, including
 - Schedule, cost and quality control;
 - Review and certification of works in progress;
 - Document work progress;
 - Manage proposed change notices;
 - Administer progress payments;
 - Certify substantial performance;
 - Assess deficiencies and follow to completion;
 - Certify completion; and
 - Undertake warranty items follow-up one year following substantial completion certification.

In addition to the project delivery process shown above, Gaboury, Préfontaine, Perry architect.e.s will also utilize a project management system to ensure schedule, quality and cost control as outlined below.

Schedule, quality and cost control

The architects will institute a live project progress tracking system, which not only regularly reviews a project's progress, but also simultaneously updates the interrelated issues of schedule, cost and quality control. It identifies and flags the effect of one on the other and calls for rapid resolution.

Each consultant member of the project team prepares bi-weekly progress reviews that trips this system and highlights any conflicting issues. This assures that all of the separate items create an interlocking control mechanism.

The mechanism uses a number of control tools including the Critical Path Method, in-house evaluation using Hanscombe's Yardsticks to Pricing 2003 as well as the use of a Registered Quantity Surveyor in direct consultation with local suppliers regarding market shifts in material costs and availability.

The responsibility for set-up and maintenance of the controls system is led by the quality control director, who concerts and directs the effort of the project director, the job captain and the construction site manager.

The Issue of Value Design is foremost on the architects' list of project priorities. Value Design is achieved when the project team successfully combines Client Communication, Quality Control, Cost Control, and Schedule Control. These are the four pillars of Value Design. When the needs and wishes of the Client are successfully integrated into this process, the result is the delivery of a very highly refined project, which is delivered on time as well as on or below budget.

To achieve this goal, the architects begin by analyzing the established budget, schedule (everything from design delivery to proposed seasonal staging of the works) and quality of

construction as they relate to each other in the delivery of this project. The architects recognize that any anomaly or change in any of these can have a severe effect on the others.

The architectural firm's analysis and findings will be presented to the client at the first regular project meeting. The staff will also establish a regular schedule of meeting to assure continuity of communication. Should they discover any conflicts in budget or schedule, these will be immediately highlighted and resolved with the client.

The architects will review the proposed schedule and confirm expected milestones, presentations and deliverables at each of the presentations or milestones. This proactive approach helps to assure that the project stays on track.

To assure continuity, the project architect and quality control director will lead the overall control measures and verify specific quality, cost and schedule control performance. These team senior members offer continuity from the very beginning to the warranty period of the project.

The staff and consultants are tasked with identifying such individual items as costly detailing, construction materials or components that have sharply risen in cost on current projects and reporting any and all of these to the Project Architect.

This information is then confirmed to be accurate, analyzed for its potential effect on the project, studied for possible mitigating measures, and, once a solution is found, the issue if of concern is presented to the client for comment and disposition.

This exercise is repeated throughout the course of the project. While the following pages identify some of the duties undertaken at the stage of project evolution, it is critical to note that every member of GPPa's team monitors each aspect of Value Design throughout their involvement in the process.

Cost Control

Buildings need not be expensive to achieve high quality. The architects' design process begins with substantial consideration and respect for the budget. It is disciplined throughout by the architect's construction cost estimate. Even after the design process is complete, GPPa's staff will continue to validate the client's expenditures throughout construction.

The 10 steps specific to GPPa's Cost Control protocol:

Step 1: Project Start

Obtain scope of work and budget from Owner

Step 2: Class D estimate - Functional Requirements

Expected degree of variation 20%

Update functional requirements of project

Prepare Class D estimate

Review and report on Class D estimate as compared to Owners indicative estimate/budget

Step 3: Preliminary Project Approval

Receive Preliminary Project Approval from Owner

Step 4: Class C estimate - Design Concept

Expected degree of variation 15%

Design concept prepared

Prepare Class C estimate

Review and report on Class C estimate as compared to Class D estimate

Step 5: Class B estimate - Preliminary Design

Expected degree of variation 10%

Preliminary design prepared

Prepare Class B (substantive) estimate

Review and report on Class B estimate as compared to Class C estimate

Step 6: Effective Project Approval

Receive Effective Project Approval from Owner

Step 7: Class A estimate - Construction Documents

Expected degree of variation 5%

Construction Drawings/Specifications prepared

Prepare Class A estimate

Advise on allowances needed if necessary

Review and report on Class A estimate as compared to Class B estimate

Step 8: Tender Stage

Tender project

Receive tenders

Review and comment on tender prices received as compared to Class A estimate

Step 9: Construction Stage

Review cost during construction

Review contractor's payment schedule

Approve (revise if necessary) payments to contractor

Summarize change orders and potential change orders during construction

Review allowances/approve expenditures

Step 10: Project Completion

Advise on hold back release

Summarize/report on final project costs

With these professional resources and management systems utilized, risks will be mitigated and the overall development of the Complex will be effectively and responsibly managed.

5.0 Markets and marketing plan

The marketing effort for the new Complex will build on the awareness that IPG has already developed within the region, North America and beyond. IPG offers a unique benefit that few, if any, other peace centres can provide - a tranquil, peaceful setting in which to contemplate peace and conflict resolution amidst a beautiful garden. This is, and will continue to be, a central part of IPG's marketing thrust.

5.1 Marketing plan

The marketing plan for the International Peace Garden Centre for Peace and Conflict Resolution (the Complex) will focus on the unique features of the IPG location.

One of the key tenants of successful marketing is to find a unique selling point (USP) and use that to market the product/service. The degree to which the IPG is able to market its USP will play a major role in determining the degree to which the Complex will ultimately achieve success.

In the area of peace and conflict resolution there are literally thousands of local/regional groups, non-government organizations, government agencies and academic institutions all over the world involved in various aspects of the peace/conflict resolution continuum. Activities include research, lobbying, policy development, conferences/workshops, museums, libraries, ministry, and training of peacekeepers.

How, then, can the Complex differentiate itself or find a USP focus that will set it apart and allow it to serve the unique need that IPG has identified?

The IPG location provides a number of advantages.

- It is situated on the world's longest undefended border.
- The governments of two nations, one of which is the world's only remaining "super power", support it.
- Its peace mandate chronologically supersedes that of most of those centres currently in the peace and reconciliation field.
- The garden and the extensive resources that allow people to feel close to nature are supportive of, and provide a subtle, but significant message/environment that is conducive to the objective of the Complex.
- The incorporation of "green building technologies" will exhibit a commitment to having minimal detrimental impact on the surrounding environment and to keeping long-term energy and operating costs as low as possible.
- Most importantly, it is the only peace/conflict resolution organization that has been developed around a garden. Gardens and nature are increasingly being recognized for their benefit to the human psyche and resulting feelings of tranquility. These feelings, while subtly influenced by the gardens, will significantly enhance the Complex's ability to uniquely achieve its objectives to enhance peace and resolve conflicts. The detailed analysis of the interaction between the human mind and the gardens will be a key component of the detailed market research and the detailed design phase of the project.

5.1.1 The Garden Development – IPG's key marketing focus

The IPG Board has decided that the Garden Development is the Complex's unique selling point (USP) among peace and conflict resolution (and closely related) centres. Focussing on the garden, together with appropriate interpretive development, is the best strategy to attract potential visitors to drive the significant distances from major centres and mitigate the seasonality of the location.

A garden that is simply a "bunch of pretty flowers" will not be sufficiently unique to capitalize on the garden's potential to be a destination location and to serve the objectives of the Complex. There are many lovely botanical centres in both the US and Canada (e.g. Butchart Gardens, Victoria, B.C.) that are a "must see" when someone is in that city or region. However, they are usually not the sole reason that the public would visit a specific area.

In order for the IPG Garden Development to be a "must see" in its own right (and to overcome distance and seasonality), the IPG will develop the garden to be a unique and substantive Garden Development that is integrally linked to the Complex's objectives and activities. For example, it is expected that some of the programming will formally integrate the use of the gardens and that the influence of the gardens will be felt by all of those who attend/participate in the Complex's programs. The building design also enhances the influence of nature and the gardens even when indoors.

The Garden Development will exhibit the clear connection between the garden and its historic role in promoting peace and conflict resolution. Throughout history, the garden has symbolized the ideal world or paradise, a place for rebirth and regeneration, a refuge from stress and upheaval – very much the place to find peace and resolve conflict. By expanding on the garden's relationship to peace and conflict resolution, the Complex will create a substantive basis on which to build a "must see" destination facility.

5.1.2 The Garden Development – concept

The Vision for the garden is described as a "garden development" because the concept involves a series of gardens and interpretive components, rather than one botanical garden site.

The Development will include gardens from a variety of cultures, spiritual backgrounds and historic time periods, together with interpretation and explanation of the rationale for the style of garden and its significance – focussing, in particular, on how each garden contributes to peace and reconciliation.

The following are only a few examples of the types of gardens that will be analyzed during the final design phase as to their suitability and potential role for inclusion in the Garden Development complex.

Cultural/contemplative gardens

Oasis or paradise gardens

Born in Arabia in the 7th and 8th centuries, and eventually spreading to southern Spain and northern India, this garden design reflected a paradise on earth or an oasis – a cool, lush, brightly vegetated refuge from the hot, dry climate. Using formal axial geometry, the garden is enclosed by a wall or plant material. Water is an essential element in the form of a reflecting pool or "stream(s)" of water often on a cross axis.

Japanese dry and stroll
gardens

The stroll garden is a sequence of scenes threaded on a pathway designed to conceal and reveal scenes as the visitor strolls along a path, usually around a body of water. The stroll garden reflects nature in miniature. Buildings (pavilions) and the landscape are seamlessly integrated; sliding partitions allow for inside/outside linkages.

A low wall often encloses the dry garden with specific numbers of elements arranged in a specific orientation. Key elements are three to 15 rocks/stones arranged in white, raked sand or pebbles. A stroll garden may be devoid of plant material or have sparse plantings of evergreens or moss.

Chinese gardens

The Chinese garden is considered a serious art form designed to attain the essentials of life: balance, harmony, proportion and variety. A common feature is the waterside pavilion built half on land and half on water. The pavilion has windows or scenic openings that act as picture frames for particular views of the garden. Covered corridors or walkways allow enjoyment of the garden in snow or rain.

Labyrinth gardens

These maze-like patterns were designed to focus people's thoughts and aid in meditation. They draw on spiritual traditions of early Christianity and Eastern religions for their design principles.

Historic gardens (e.g. Pioneer)

Natural plants of the Prairies – many European settlers came to the plains to escape economic, social or environmental upheaval in their native countries – a native species garden will serve two purposes to display prairie plant material by indicating what pioneer settlers had available while explaining some of the situations that caused settlement to move west.

Healing gardens

This display could include three elements depicting: plant material used historically by First Nations/Native American peoples in the region; plant material currently being explored as a source of nutraceuticals and functional foods; and the garden itself as a healing tool for mind and body.

While the First Nations people did not have gardens in the typical definition of the word, they had/have a close relationship with nature. In addition to displaying the healing plants that they used, plants can be featured that were used as symbols of peace & friendship.

Modern peace gardens

Gardens that have been developed in conflict areas and their role in reconciliation (e.g. Butterfly Garden in Sri Lanka).

Given prairie environmental conditions, adapted plant material will have to be used in place of non-native species in some of the gardens.

Recognizing the constraints placed on the Garden Development by climate, the **Interpretive Center** will play an important role in supplementing the visitors' learning experience regarding the physical garden and plant material – especially in telling the story of the gardens during the "off-season". Additionally, the Interpretive Center will be able to educate and inform visitors about aspects of the garden story that cannot be done in the physical garden because of climatic/plant material constraints.

The Interpretive Center will include stories regarding the roles that gardens have played throughout history in peace, and explanations of some basic landscape design theories regarding how the placement of shape, size, color can affect the "feeling" of a garden.

A key objective of this "marketing strategy" is to develop a significant educational component that will make people want to come to visit the IPG to learn about the role of gardens in human development, rather than only to learn about gardening. This strategy will provide ample opportunities to weave messages about peace and cooperation among peoples into the information about the historical and cultural significance of gardens.

In addition to an educational experience which will provide people with something to ponder, the Garden Development will offer a variety of places for individuals to contemplate the role that gardens could play in contemplation, stress relief and conflict resolution in their own lives and in the lives of nations and peoples. This further ties the garden together with the mandate of the Complex and its programs and activities. It will be marketed as a feature to draw people to visit and stay at the Complex.

5.1.3 Benefits of the Garden Development

There are many benefits to developing the Garden Development as described in this Business Plan.

5.1.3.1 Fulfilling IPG's mandate and vision

Including various types of gardens strengthens the International Peace Garden's historic mandate to bring people together and fulfils the IPG's Vision: *to promote and encourage improved understanding and acceptance of humanitarian concerns between people of different cultures, nations and backgrounds.*

The Garden Development will allow people to understand and appreciate other people's cultures through the development of their gardens – something that is very much needed in these times. Providing insight into other cultures' gardens will allow visitors to appreciate that "they are just like me" – even those who may be perceived as opponents appreciate beauty, serenity, tranquility and spirituality.

5.1.3.2 Developing a unique complex

In developing the Garden Development, the Complex will be unique in the world in emphasizing the role of the garden in peace and reconciliation. Other peace centres have gardens, but they are incidental to the other function/activities of the centres. Other locations have examples of different types of gardens, but no other centre has a variety of different garden types in one location; no other centre has its garden integrally designed into its mandate.

5.1.3.3 Creating "buy-in" and enhancing funding opportunities

While the ongoing marketing focus of the Complex will be on attracting people, an additional near-term focus will be on attracting funding. There is real competition among all the players in the peace/conflict reconciliation field for funding, partly because there are many players and partly because funders are reassessing their allocation of resources to conflict resolution given that "fighting terrorism" has become a higher priority in recent times.

By including the Garden Development, not only will the Complex have a unique mandate to market to funders, but it will also appeal to an expanded list of potential funders. Various cultural groups in Canada and the United States, as well as individuals within these groups, will be approached to provide financial support. Obtaining the buy-in of these groups and key individuals will also enhance the visibility of the Complex.

5.1.3.4 Building a clientele

The Garden Development will support the other amenities that are being added at the IPG – the lodging, food service, library, and interpretive and meeting facilities. People will now have another reason to come to the Complex besides just for a conference/workshop. There will be a symbiotic relationship between the Garden Development and the conference/accommodation centre. While the conference business is growing, the garden complex can also be attracting visitors.

5.2 The Target Market/Audience

Differentiating the potential audiences for the Complex's product/service and selecting one or two specific audiences is essential to the development of a successful marketing plan for the Complex.

Identification of specific target audiences for the Complex is complex because:

- there is a proliferation of groups involved in peace and conflict resolution;
- there is potential to expand existing user groups; and
- the location creates challenges related to distance and seasonality.

In marketing the Complex's facilities (including food service and related services), distinct from the Garden Development, the target audience is essentially program providers or organizations that will host conferences or meetings. Many of the program providers will have established venues where they regularly deliver programming and/or methods of delivery for their programming. IPG will offer a full-service package that will better serve their needs.

In marketing the Complex in total, the target audience is the general public.

Some of the potential program providers who make up the first target audience, and some of the potential constraints that will need to be overcome to attract them are discussed below.

5.2.1 Target markets/audiences – facilities usage

5.2.1.1 Primary target markets/audiences (high expected person day usage)

It is expected that there are a number of specific niche markets that can be targeted and developed. A key strategy to identify and pursue these markets is expected to be through forming strategic alliances with groups and individuals proposing new approaches to traditional situations.

Following are some examples of these new approaches and the resulting new target markets.

Practical, on-the-ground training

Dr. Ben Hoffman has identified the need for practical training for non-military people going into areas of conflict or potential conflict. He is piloting The Peace Worker Boot Camp in the summer of 2004 in rural Ontario. It is designed to introduce participants to the knowledge and skills necessary in preparing for voluntary or paid work in the fields of humanitarian, peace building, and development assistance. There may be opportunities to offer a prairie version of his program at the IPG.

This is an example of the significant potential that exists for IPG to develop strategic alliances with other participants in the peace and conflict resolution networks as IPG gathers the new resources, people and programs that the Complex will provide.

The International Academy for the Reduction of Political Violence

Another project of Dr. Hoffman, through his proposed academy, would be a virtual *"global network of key research and training centres and scholar-practitioners collaborating intensively over a five year period to move the practice of violence prevention, peacemaking, and peace building a leap forward so as to have a direct downward impact on the levels of violence in the world and to help restore humanity's sense of confidence in the future."*¹⁰ A secretariat will coordinate activities. While the location of the secretariat has been identified as Ottawa, there may be opportunities for an alternate location at the Complex, or at the very least for the Complex to be involved with the academy.

Canadian Museum for Human Rights (CMHR)

Currently in the latter stages of planning for construction in Winnipeg, the museum's mandate is human rights; however human rights is one part of the continuum of peace and conflict resolution. One of the museum's main components is to be youth programming. The Complex will pursue opportunities to partner with the museum to "share" young people and develop complementary programming. That is to say, those young people whose primary visit is to the museum will be encouraged to visit the Complex for particular programming, while those who are attending music or sports camps at IPG will be encouraged to visit the CMHR.

Sustainable development and the environment

There are a number of environmental areas, especially involving many aspects of water, which could present opportunities for conflict resolution in the foreseeable future¹¹. The Complex will establish contacts and links in the sustainable development community and be proactive in promoting the development of environmental conflict resolution programming to this community. This will positively position the Complex to lead in this area whenever it becomes apparent that solutions are needed in a particular situation.

International peace camp for youth

IPG already has experience in, and the facilities to host, specialized international camps for young people (e.g. the International Music Camp and the Royal Canadian Legion Athletic Camp). Developing a conflict resolution camp, which would take place during the school year, would be a logical extension of expertise that IPG already has. Schools could more likely justify directing funding or seeking funding for such a camping experience¹². IPG and the Complex will work with various groups that have material that could be adapted for such a program.

¹⁰ Dr. Ben Hoffman, The International Academy for the Reduction of Political Violence Proposal to Create a Virtual Institution to Activate and Professionalize the Practice of Violence Reduction and Peacebuilding, Draft proposal, page 3

¹¹ Personal communication with Greg Barrett, Mediation Services, and Dr. Ben Hoffman.

¹² Personal communication with Adrian Challis, Facilitated Solutions, Winnipeg.

Teacher education

The University of Manitoba currently offers a post-baccalaureate program in conflict resolution that takes place for three days in August and three Saturdays in September/October. There may be an opportunity to hold the program at the Complex during one week in the summer.¹³ The Complex will actively pursue this opportunity and will explore opportunities with the University of North Dakota.

Summer peace institute

There may be potential to work with Mediation Services and Menno Simons College to develop a Summer Peace Institute.¹⁴ The Complex will actively pursue this opportunity.

Regional intergovernmental, cross-border consultations

From time to time, departments within state and provincial governments in the region hold cross-border consultations. The Complex will promote its facilities to host these consultations.

Groups in conflict

While distance to the Complex may be a barrier, it can also be an advantage as there are times when it is beneficial that groups who are experiencing conflict have a neutral, isolated location so that issues can be focused on without interruption and so that personal relationships can be developed. The Complex will market itself as a venue for those already in conflict who need to actively pursue a resolution to a conflict situation, in addition to being a venue for generic "how to" conflict resolution programming.

A key strategy to identify the niche market opportunities for the Complex's facilities and to capitalize on them is to stay in regular contact with those in the peace/conflict resolution field identified in this document and undertake more extensive research to identify potential affiliations/alliances.

A core group of five or six people involved in peace and conflict resolution will be brought together by IPG to brainstorm regarding opportunities, needs and logistics, as part of the detailed design phase market research and market plan development. A list of peace and conflict resolution network participants is included in Appendix 5.

5.2.1.2 Secondary target markets/audiences (lower expected person day usage)

The following list of organizations represent groups that are not expected to provide significant volume of visitors to the Complex in the foreseeable future (i.e. in terms of the number of person/days/year of visits). However, this criteria alone may not be a sufficient reason to decide that these potential target markets should not be pursued – further market research is needed to confirm whether they represent significant target market sectors or not. They may be very attractive market segments because of the attention that would be created for the Centre, which would lead to increased levels of awareness with other potentially higher volume market segments.

¹³ Personal communications with Adrian Challis, Facilitated Solutions, Winnipeg.

¹⁴ Personal communications with Greg Barrett, Program Coordinator, Mediation Services, Winnipeg.

Diplomats/senior government bureaucrats

While members of this group may need reconciliation skills upgrading¹⁵, it may be difficult to convince them that it should be a high priority and one to which they should commit a significant amount of time within their hectic schedules. The time required to travel to the IPG will likely be an impediment to attracting members of this group that are from other states/provinces and/or Ottawa, Washington D.C. or New York.

Heads of state/senior government officials/negotiators

The Complex will offer high levels of security (including its relatively isolated location, bullet proof glass in the International Centre for Peace and Conflict Resolution and the Visitor Accommodation Centre, secure tunnels between the Peace Centre and the Accommodation Centre, etc.) that will create value for members of this group.

However, the isolated location is “a double-edged sword” – on the one hand it creates benefits in terms of reduced security costs, as noted above; on the other hand its “isolated location” means that some potential visitors will be deterred because of extra travel time/costs and additional logistical challenges versus a location that is closer to a highly populated center. It is understood that there are pre-existing secure sites in close proximity to Washington, D.C. (Wye River was one location that was mentioned). Most world leaders reportedly prefer to remain near a major capital city. It is expected that for groups in the central northern part of North America, the Complex’s location may be quite attractive compared to less secure alternatives (e.g Kananaskis, Alberta).

Of course, securing the Complex site would only be feasible at times when major events such as the International Music Camp and Royal Canadian Legion Athletic Camp are not taking place.

The two groups mentioned above (including diplomats, senior bureaucrats, heads of state and senior government officials/negotiators) would not be expected to use the Complex frequently. However, the Complex would promote itself to them as a meeting venue for the publicity and public awareness, which the Complex would receive from having such people meet at the Complex.

“On-the-ground” personnel in conflict areas

Increasingly, governments and government-related organizations in conflict areas are expecting “just-in-time” training to be delivered “in the field”¹⁶. They are trying as much as possible to minimize the costs and logistical challenges of sending their people out for training.

For example, the Pearson Peacekeeping Centre is experiencing considerable challenges in attracting participants to its location in Cornwallis, Nova Scotia (approximately a two-hour drive from Halifax) other than military and para-military (police) personnel who are sponsored by governments. It is understood that the majority of the Pearson Centre’s training programs are currently being delivered internationally, rather than at Cornwallis. Thus, this group is not one of the Complex’s target markets.

¹⁵ Personal communication with Dr. Ben Hoffman, former director of conflict resolution programs at the Carter Center and former director of peacekeeping negotiation and mediation at the Pearson Peacekeeping Training Centre.

¹⁶ Dr. Ben Hoffman

Non-government organizations

Some of these groups operate on limited budgets and may not be willing to absorb the cost of accommodation at the Complex. For example, the Mennonite Central Committee-Canada billets participants in local homes and has community churches feed participants during their peace-related conferences.

The Consensus Council, Inc. (www.agree.org), based in Bismarck, ND, is an international conflict resolution organization that may be a very good customer for the services and facilities that the Complex will offer. The Consensus Council generally works with well-funded organizations. The Consensus Council, Inc., is a private, North Dakota, non-profit corporation dedicated to the improvement of government structure, services, and policy primarily in North Dakota and the Great Plains. Established in 1990, it was originally called the "North Dakota Consensus Council, Inc." The name was change in 1999 to "The Consensus Council, Inc." to more accurately reflect its growing regional service presence.

Some groups that may be able to utilize the Complex's facilities for conferences or to deliver programming include:

- Mediation Services, Winnipeg
- Menno Simons College, Winnipeg
- Dakota Enterprise Center
- North Dakota Council of Churches
- Bottineau State College

Education system

In Manitoba, there is no province-wide conflict resolution program in the educational system. Instead programs are developed and introduced at the school division level, and often at the individual school level. Training is generally delivered in school and supplemented with field trips. This has been identified as a market with some potential, especially related to bullying in schools, and will be further investigated. The education system in North Dakota will also be explored for similar opportunities.

5.2.2 Target markets/audiences – general public

With respect to general public as a whole, the Garden Development is a very important drawing card.

It is expected that as "Baby Boomers" approach retirement age they will have more time to pursue interests including horticulture/gardening/travel. IPG and the new Complex will be well positioned to attract many Baby Boomers as the new facilities and gardens are completed.

Camp visitors

There is already a base clientele in the families who bring their children to one of the IPG camps. Marketing efforts will be directed at this group to encourage them to make at least an overnight stay at the Complex when they pick-up or drop-off their children. The educational component of the Garden Development provides the enticement to stay.

Mental health/stress resolution

A secondary clientele will be built from serving the needs of those people searching for internal conflict resolution by taking a "stress" break. The Garden Development will offer a venue for contemplation, in addition to programming that may be developed in this area.

Stress-related depression is projected to be one of the leading causes of time lost from work by 2020. As awareness grows concerning mental well-being in the coming years, there will be opportunities to work with program providers and businesses in the mental health area and to expand (potentially very significantly) programs dealing with resolution of conflicts created by stress.

5.3 Marketing tools

Profile

Profile is a key factor in marketing the Complex. As the planning and construction of the Complex is progressing, IPG's profile will be raised significantly through publicity surrounding the redevelopment of the IPG. The marketing budget will be significantly expanded from levels that have been spent in recent years. This will be required to make people aware of the IPG and the Complex outside the local area. Currently, IPG does not have a significant profile in the "peace and conflict resolution community" outside the local region. Raising IPG's and the Complex's profile will facilitate the arrangement of strategic partnerships in the future.

Profile will also be enhanced via an extensive communications program utilizing existing organizations including the International Music Camp, which communicates to thousands of people around the world and will publicize the new facilities and services available at the IPG.

IPG's profile will be further enhanced by bringing on side a champion or champions who is/are well-known in the peace/conflict resolution field. There are several Americans and Canadians who are well known in political, academic and international circles.

Unique attributes

The Garden Development itself will be a unique attribute that can be actively promoted. The fact that the IPG is the only North American site outside New York where girders from the World Trade Center are located will be publicized.

Another attribute that will be developed and promoted is the library/archive. Libraries are major investments – physical libraries require major resources to maintain and operate; virtual libraries require high levels of investment initially. Both types of libraries require professional management. In many cases, to give them added profile, libraries are built around or house renowned "papers". The Carter Center is home to the artefacts of Jimmy Carter's presidency. McMaster University is home to the Bertrand Russell Archives.

The Complex will seek out archives (some preliminary discussions have already occurred). It has been suggested that one such set of archives may be available from the Peace Research Institute, located in Dundas, Ontario.¹⁷ It has a library of materials extending back to the 1960's and archives of its publication the *Peace Research Review*.

¹⁷ Personal communication with Gary Purdy, Director and Undergraduate Counsellor, Centre for Peace Studies, McMaster University

Media relations

Every opportunity will be taken to communicate with the media when something of interest occurs at the Complex. A list of media contacts locally, regionally and nationally will be developed so that media releases, backgrounders and invitations will be distributed when a noteworthy activity takes place. The list will be segmented so that information can be distributed to specific media, depending on the activity. Further, relationships will be cultivated with media who would have specific interest in the Complex.

Event planning

Every reasonable opportunity will be taken to develop events around the progress of the development of the Complex. For example, if a champion is named, a reception will be planned to which those with an interest in the project will be invited. When major funding is confirmed, a cheque presentation will be planned and publicity will be generated. When the ground is broken for the building(s), a sod-turning ceremony will be held followed by a garden tea.

Image

Print and electronic material used by an organization to promote itself convey an image of the organization. Organizations often "rebrand" or "reimage" themselves as their product, service or target audience(s) change. The development of the Complex gives IPG an excellent opportunity to reimage itself to highlight the Complex (i.e. the new product and services) to new target audiences.

A new image will be developed and conveyed through revitalized print brochures and website design that will be complementary to the concept and marketing strategies of the Complex and IPG.

6.0 Governance, management and organization structure

Board of Directors

The IPG operates as a non-profit organization under the direction of a twenty-member board of directors. The Board of Directors governs the IPG and includes ten Canadians and ten Americans. The Governor of North Dakota and the Premier of Manitoba each appoint one director; the remainder of the board members are elected by the Friends of the Garden to serve a maximum of five, three-year terms. The seven-member executive committee is appointed from among the board members and includes a president, vice-president and executive members.

The members of the current board (as of May 2004) are shown below. Those marked with an * are members of the executive committee.

Canadians:

David Anderson, President, Winnipeg, MB*
James Ritchie, Boissevain, MB
John L. Condra, Winnipeg, MB*
Eleanor Cameron, Winnipeg, MB
Don Timmerman, Winnipeg, MB
Charlie Thomsen, Winnipeg, MB*
David Downie, Winnipeg, MB
Audrey Hutcheon, Winnipeg, MB
Ed Anderson, Boissevain*
Aubrey Asper, Winnipeg

American

Pat DeMers, Vice-President Dunseith, ND*
Mike Jacobs, Gilby, ND*
Dr. Tyrone Langager, Minot, ND
Ingrid Bailey, Bismarck, ND
Brian Boppre, Bottineau, ND
Jeff Campbell, Dunseith, ND
Alice Olson, Cavalier, ND
Phil Low, Minot, ND*
Jim Fuglie, Bismarck, ND
Vernon Gerig, Brinsmade, N D

The Board of Directors is proactive. The board utilizes sound governance processes, and bring diverse experience and expertise to the IPG. A demonstration of this governance capability is the financial performance of the IPG, which has been turned around over the past several years. The IPG accumulated debt, which had been as high as \$300,000, was eliminated by the end of 2002. The board is confident that the current executive team, with the additions that are described in this Business Plan, is/will be well equipped to carry out the expansion plans as outlined herein.

In the future, the Board of Directors will recruit directors who possess an ideal mixture of desirable traits including:

- a proven track record of displaying visionary/big picture thinking – this will be needed to build and market the future IPG and the Complex into the type of a destination that is envisioned by the current Board of Directors;
- connections to “people of influence” in the worlds of:
 - peace centres and related networks;
 - conflict resolution centres and related networks;
 - tourism industry – especially in the U.S. Midwestern States and Ontario and the eastern Prairie Provinces;

- state, provincial and national governments, crown corporations and operating departments and agencies – all will be potential users of the facilities and services that will be offered by IPG and the Complex;
- U.S. foundation boards of directors and key administrators; and
- business leaders and senior management personnel – potential users of conflict resolution services;
- A track record of developing strategic initiatives that have been proven to achieve the long-term achievement of key organizational objectives; and
- A clear understanding of the board's appropriate role in:
 - defining the primary objectives (i.e. the "raison d'être") for the organization; and
 - monitoring organizational performance by assessing the degree to which the primary objectives have been achieved and unacceptable risks have been avoided.

Two separate foundations exist whose sole purpose is to generate funds for the IPG. The IPG Board of Directors will largely rely on these foundations as its fundraising arms. The foundations' boards will be increasingly peopled with members that bring ties to friends and associates who can make sizable donations. The number of members on these boards could be expanded without requiring any changes to their bylaws.

7.0 Human resources

Existing Staff: The IPG operates with 5 full-time year-round staff and 50 seasonal employees.

The full-time staff includes:

- Executive Director – responsible for overall IPG operations;
- Financial Officer – responsible for financial concerns of IPG;
- Horticulturalist – responsible for matters relating to flowers and shrubs in IPG;
- Maintenance Foreman – responsible for maintenance of facilities and grounds; and
- Director's Assistant – secretarial and advertising matters within IPG.

The part-time staff include 50 seasonal employees involved in collecting entrance fees, sales at the souvenir shop, horticulture work, maintenance and in providing information to visitors and tourists.

In addition to the employees of IPG, there are a large number of individuals working with the various activities, especially the Music Camp and Royal Canadian Legion Sports Camp. Approximately 50 non-IPG people are active with these camps in June, July and August.

Thus, over 100 people are working at IPG during the summer months.

The historical operating costs associated with the existing staff are shown in the historical financial information in Appendix 7. The financial projections in Appendix 8 assume that these historical costs will increase on the same trend line as has occurred during the past few years (shown separately from the costs for the new staff.)

New Staff Requirements: Additional staff members are required for the operation of the new buildings and maintenance of the new gardens. The operation of classroom/meeting rooms, the visitor accommodations, and the additional washrooms will require the most intense labour input.

It is planned to continue the current system of leasing the food preparation facilities to a local firm that is contracted on favourable terms (given that they have access to the IPG facilities) to provide the food for the various programs and events. They have successfully provided the food and refreshments needs for the wide variety of situations that exist at the International Peace Garden. These needs vary from serving the nearly 3,000 students attending the International Music Camp over seven weeks, through to serving fine meals and refreshments to dignitaries at events like the opening of the memorial display for commemoration of the horrific events of September 11, 2001.

The number of new staff is influenced by operational decisions for Visitor Accommodations. IPG could either:

1. Contract out the facility to a firm that would operate it and IPG would just have the lease revenue, or
2. Operate the facility with IPG staff, in which case the cost of staff, cleaning, etc. would be incurred.

It is planned that IPG will sign a contract with a hotelier or other qualified firm that will lease the accommodation facility and operate it.

IPG intends to continue its policy that it will not compete with private sector facilities within its geographic region. Therefore visitors to the IPG will be encouraged to utilize the existing hotels and bed & breakfast accommodations in the region. With the development of Complex it is anticipated that the accommodations in the region will expand. Planning is currently underway for additional private sector hotel accommodations. This will assist IPG in offering a range of accommodations, without it being necessary to always have the Visitor Accommodations available, either due to it being off-season, or due to the facility being fully booked.

Based on the assumptions described above, and as shown in the financial projections section, the new staff requirements (in addition to the existing staff) will include:

- 4 housekeeping – seasonal for 8 months, at 40 hours/week, @Cdn\$8.00/hr. each – Cdn\$11,000 each/year¹⁸ – for a total of Cdn\$44,000/year;
- 2 gate/maintenance – seasonal for 6 months, at 40 hours/week, @ Cdn\$8.00/hr. each – Cdn\$8,320 each/year – for a total of Cdn\$16,640/year;
- 1 Head librarian – year round, as noted below;
- Assistant librarian – year round, as noted below; and
- 3 program/activity coordinators – seasonal for 8 months, at 40 hours/week, @ Cdn\$10.00/hr. each – Cdn\$13,867 each/year – for a total of Cdn\$41,600/year.

It is estimated that the costs for the librarian(s) will be \$60,000 (including benefits) for the head librarian plus \$40,000 including benefits for an assistant(s) or to contract out some of the scanning, developing abstracts, etc. for the first year after the new facilities are completed, reducing to \$20,000 for an assistant(s) or to contract out in future years.

This is a total of 11 people. It is assumed that these costs would be incurred in both currencies on an approximately 50 – 50 basis.

The first year cost is estimated to be Cdn\$100,000 for librarians and Cdn\$102,240 for the other 9 staff, for a total of Cdn\$202,240 – in the first year.

Thereafter it would be Cdn\$20,000 less, at Cdn\$182,400 annually.

The financial projections in Appendix 8 are based on these assumptions for new staff.

¹⁸ For simplicity, Canadian dollar values have been used in most references in this document, even though it is recognized that revenue and expenditures will occur in both US dollars and Canadian dollars. The exchange rate that is used in this document is one US\$ = Cdn\$1.33333 or one Canadian\$ = US\$ 0.75. Thus, conversions from the stated Cdn.\$ values can be made to US\$ values by multiplying the Cdn\$ value by 0.75.

8.0 Key risks and mitigation strategies

Several risks have been identified.

1. Capital costs over-runs: If capital costs exceed the budget and funding approvals, a problem could occur for IPG.
2. Insufficient sales of names for the Hall/Path of Peace: With this being one of the multi-year sources of funding for IPG, this is one of the more significant risks faced.
3. Lower than expected numbers of visitors to the Complex: If fewer visits occur than expected, it will impact the on-going revenue of IPG, and could lead to financial pressures or even operating deficits.
4. Excessive operating and maintenance costs: If these costs are higher than anticipated, whether for the existing or for the new facilities, it will create financial pressures or even operating deficits.
5. Lower than expected use of the meeting facilities, and/or library, and/or visitor accommodations (i.e. lower revenue): Even if the number of visitors is as planned, if the use of the meeting facilities, library or visitor accommodations is less than anticipated, it will impact the on-going revenue of IPG, and could lead to financial pressures or even operating deficits.
6. Fire, accidents and other physical losses or third party liability claims.
7. Changes in the US\$ to Cdn\$ exchange rate.
8. Other unexpected events.

The risk of obtaining insufficient funding for the development is not included above because IPG does not plan to proceed with construction until sufficient funding has been confirmed.

For each risk a mitigation strategy has/will be developed.

1. Capital costs over-runs: It is planned that commitments for the funding will be obtained prior to committing to proceed with construction. The construction tendering will call for contracts with a fixed price and with time line penalties and incentives for construction. If the tenders come in for more than expected, the scale of some components can be reduced to ensure that the tendered contracts do not exceed the financing available. With the architects, and others that IPG retains, monitoring the construction (as noted in section 4.2), it is expected to proceed on budget. Contingencies have been provided to cover unforeseen costs. Thus, the risk of cost over-runs is much lower than for many projects.
2. Insufficient sales of names for the Hall/Path of Peace: This risk is managed by retaining a Development Officer to conduct a sound marketing program, and by utilizing a variety of other organizations (e.g. the Music Camp) to distribute the requests. This remains a notable risk for IPG, but management and the Board of Directors believe that it can be monitored and controlled.
3. Lower than expected numbers of visitors to the Complex: This is a modest risk because the revenue projections do not count on a dramatic increase in revenue from this one source. With multiple sources of revenue, if, for one season, there should be a reduction in attendance, IPG has shown in the past that its management can respond by cutting costs

and still operating without incurring a deficit. Also, with no use of debt to finance the new facilities, and with the endowment fund to assist with the annual operating and maintenance costs, there is limited downside risk for IPG.

4. Excessive operating and maintenance costs: This risk is also modest. There are a variety of types of operating costs, such that no one cost tends to create a dramatic impact. The only risk that is considered significant is from a high water table causing problems for buildings. Because this factor is well recognized, and has been highlighted as an issue to be dealt with during the design work and during the monitoring of construction, it is expected to not become a significant factor.
5. Lower than expected use of the meeting facilities and/or library (i.e. lower revenue): This risk is also modest because the revenue from this one source is modest.
6. Fire, accidents and other physical losses or third party liability claims: Comprehensive insurance coverage is in effect covering fire and other physical loss of buildings and other assets; and covering liability claims
7. Changes in the US\$ to Cdn\$ exchange rate: While variations in the exchange rate are not predictable, this risk is very modest, as capital costs and operating expenses have been and are expected to be, incurred in both currencies, in a similar ratio to the funding and annual revenues. Thus, there is little impact from changes in the exchange rate.
8. Other unexpected events are always a risk, but are not considered to hold substantial risk for the International Peace Gardens.

9.0 Financial projections and sensitivity analysis

All currency conversions have been assumed to be at Cdn\$1.3333 per US\$1.00.

9.1 Capital cost/project cost estimates

The project cost estimates, including capital costs, design costs, and all "hard" and "soft" costs, including escalations in costs from the time of the estimate to the time of construction, are shown in Appendix 6.

The architect, Gaboury, Préfontaine, Perry architect.e.s. (GPPa), has developed these projections of capital costs after extensive research and analysis. As described earlier, GPPa conducted a three phase study to develop the concept for the Complex. The original concepts and capital budgets developed in 2002 were reviewed and revised during the preparation of this business plan. In addition to their own work during the preparation of this Business Plan, they retained:

- Rodney C. McDonald of McDonald Hardess Consulting;
- Centre for Indigenous Environmental Resources; and
- Nova 3 Engineering Ltd. to assist in estimating the operational and maintenance costs for the new developments.

The first two specialists provided design input for the "greening" of the project, as described in Appendix 9. Nova 3 Engineering Ltd. provided detailed analysis of the future operating and maintenance costs.

Total project costs, as shown in Appendix 6 for a Continuous Construction Schedule, are summarized in the table below.

The capital/project costs shown are based on the assumption that construction would commence and proceed for the entire project. If it were necessary to phase the construction over a number of years, it would increase the capital costs and time to completion as shown in Appendix 6.

As part of the "up-front soft costs" for design etc, it is necessary to conduct extensive market research and develop the detailed marketing plan prior to completion of the detailed design. It is estimated that this market research and marketing planning will cost \$100,000.

The endowment fund is being established to generate earnings to assist with the operating and maintenance (O&M) costs of the new facilities. A further discussion of the endowment fund and the O&M costs is provided later in this section and is shown in Appendix 6.

Items, such as furniture and fitments are included in the project development budget. Library collections, e.g. publications and books on the latest mediation and reconciliation processes, will be purchased by IPG from on-going revenue/donation sources and from donations by individuals. In-kind contributions and donations will also occur. It should be noted that several individual citizens have suggested that they will donate their private libraries in these areas in support of the Complex and its Vision.

Construction Costs (Continuous Construction Schedule) (Class D estimates) (Cdn\$):

International Centre for Peace	\$10,517,522	
Visitor Accommodation	\$ 8,464,701	
Interpretive Center	\$ 4,771,184	
Hall/Path of Peace	\$ 250,000	
Subtotal (Building)		\$24,003,407
Landscaping & Gardens	\$ 3,000,000	
Subtotal		\$27,003,407
Design & Soft costs	\$ 2,700,340	
Design contingency	\$ 1,080,136	
Construction contingency	\$ 1,620,204	
Subtotal		\$32,404,087
Endowment Fund	\$ 3,240,408	
Total Project Budget		\$35,644,495

“Greening” of the project has been undertaken. The buildings are being designed, and will be constructed, in accordance with the Leeds Certification system described in Appendix 9. The greening of the buildings increases the capital/project costs while reducing the annual operating costs. As shown in the document titled “Building For Sustainability” in Appendix 9, there are significant benefits to society, and to IPG from constructing these new facilities in a sustainable manner. As described previously, this design is very compatible with the concept of the Complex and adds significantly to the impact that the development will have.

9.2 Revenue and operating cost estimates

Historical Financial Information

For the past number of years the IPG has managed its financial affairs in a very sound manner. The debt, which had been as high as \$300,000 in recent years, has been retired. Historical financial information is provided in Appendix 7. The financial statements show both Canadian and U.S. currency revenues and expenses.

As shown by the historical financial information, the existing activities of the IPG are self sufficient in their funding.

Financial Projections

Financial projections, based on the assumptions described in this Business Plan and in the appendix, are shown in Appendix 8. These financial projections are provided for the 3-year period after completion of the construction of the new developments.

The financial projections are shown in the same format as the previously described historical financial information; showing the revenue and expense incurred in each currency. Therefore there is no need for adjustment for currency exchange rate variation.

IPG will be renting the new facilities to a variety of partner organizations to operate their on-going programs that are consistent with the IPG's mandate. Thus, the vast majority of the increased operating costs will be incurred by these partner organizations, not by IPG itself.

Operating and maintenance costs for the new developments will be nearly covered by the earnings on the endowment fund. Appendix 6 summarizes capital costs and shows these calculations. A three-step process, including the following considerations, has established the size of the endowment fund that is needed:

1. Careful analysis and estimation were conducted of the operating and maintenance costs ("O&M costs") for the new developments. These O&M costs are for all the new buildings but do not cover the incremental increase in new landscaping and new gardens. The detailed explanations of the costs that are included in the definition of the "operating and maintenance costs" are shown below. GPPa utilized Nova 3 Engineering Ltd. (who are specialists in projecting O&M costs) to develop these estimates.
2. An estimate of the average annual rate of return on the endowment fund over a medium term such as 10 years was developed. It has been based on the historical results for fund managers who estimate that seven percent is a reasonable estimate for a well-managed endowment fund. However, this is the gross rate of return. There are costs for either a fund managed by IPG plus the related brokerage and other fees, or a professional manager that would include the brokerage and other fees. For a significant fund such as this endowment fund, it is typical to be able to keep the expenses ratio to one percent. Thus, a net return for the endowment fund of six percent is projected as the reasonable average annual return over a medium term such as a 10-year period.
3. Using the estimated rate of return shown above, it was determined what size of endowment fund would be required in order to generate an annual amount equal to the annual O&M costs.

The operating and maintenance costs, of the new facilities, that are included in the O&M cost estimates, include the following types of expenses:

- heating costs – including fuel, electricity, etc. (also referred to as "energy");
- cooling costs – including electricity, etc.;
- labour and parts for maintenance such as air filter replacement, seasonal boiler inspection and servicing, greasing bearings; and
- consumables such as belts, etc.

At an O&M cost, as estimated by Nova 3 Engineering Ltd., and with the an average annual (net) rate of return on the Endowment Fund, as shown on page 5 of Appendix 6, the endowment fund earnings are not sufficient to cover 100 percent of the O&M costs. It is planned that the endowment fund will be established at an amount of Cdn\$3,240,408. This will leave a shortfall relative to the O&M costs of Cdn\$27,738 per year that will be covered by other sources of revenue.

The financial projections cover three years. They have been structured to simplify the future -- oriented information. For the both the projected revenues and projected expenses (of the Proforma Income Statements), the first lines project the historical activities of IPG forward, utilizing the trend lines identified from the historical information in Appendix 7.

The last number of lines in both the revenue and expense sections of the Proforma Income Statements provides information on the expectations for the new sources of revenue and new expenses generated by the new Complex. This makes it easier to focus the analysis on the new revenues and expenses.

Based on the assumptions described in this document and in the financial projections in Appendix 8, the Board of Directors of IPG believe that this new development will be financially sound.

9.3 Sensitivity analysis

An analysis of the risks identified in the previous section on that topic shows that the appropriate sensitivity analysis covers scenarios where the following adverse situations occur:

1. Revenue from the rental of the new facilities (the line titled "New – rental" in the Revenue section of the "Pro-Forma Income Statements - Year 1 - 3 After Development Complete" in the appendices) decreases by 50% from the base case shown in the financial projections in the appendices.
2. Revenue from donations for names on the Hall/Path of Peace (the line titled "Hall/Path of Peace" in the Revenue section of the "Pro-Forma Income Statements - Year 1 - 3 After Development Complete" in the appendices) decreases by 50% from the base case shown in the financial projections in the appendices.

New rental income - sensitivity analysis

A 50% decrease (from the base case) in the rental of the new facilities shows the new rental income falling to¹⁹:

<u>Year 1</u>	<u>Year 1</u>	x	<u>Year 2</u>	<u>Year 2</u>	x	<u>Year 3</u>	<u>Year 3</u>
<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>
\$37,500	\$37,500	x	\$50,000	\$50,000	x	\$62,500	\$62,500

A sensitivity analysis based on this reduced revenue shows the following as the Surplus/Deficit (can be compared to the line with the same title in the "Pro-Forma Income Statements - Year 1 - 3 After Development Complete" in the appendices):

<u>Year 1</u>	<u>Year 1</u>	x	<u>Year 2</u>	<u>Year 2</u>	x	<u>Year 3</u>	<u>Year 3</u>
<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>
-\$53,652	-\$7,946	x	-\$57,415	\$3,887	x	-\$57,068	\$20,023

If this dramatic decrease in revenue were to occur, it would have a significant negative impact on IPG's financial situation. However, the deficit appears to be manageable by IPG because:

- the deficit is not huge, relative to the total revenues; and

¹⁹ This table, and the other tables in this section, show both US\$ and Cdn\$ currencies, (as do the financial projections and the historical financial statements on which these financial projections are based).

- the recovery would occur (based on all the assumptions in the financial projections) by the third year of these projections to the point where the deficit was only in the range of \$37,000 (net for the two currencies), and continuing to decrease annually.

Thus, with IPG management taking actions to reduce expenses, it is considered an acceptable and manageable risk, based on this sensitivity analysis.

Hall/Path of Peace donations - sensitivity analysis

A 50% decrease (from the base case) in the donations for the Hall/Path of Peace shows the donations falling to:

<u>Year 1</u>	<u>Year 1</u>	x	<u>Year 2</u>	<u>Year 2</u>	x	<u>Year 3</u>	<u>Year 3</u>
<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>
\$62,500	\$46,875	x	\$50,000	\$37,500	x	\$45,000	\$33,750

A sensitivity analysis based on this reduced revenue shows the following as the Surplus/Deficit (can be compared to the line with the same title in the "Pro-Forma Income Statements - Year 1 - 3 After Development Complete" in the appendices):

<u>Year 1</u>	<u>Year 1</u>	x	<u>Year 2</u>	<u>Year 2</u>	x	<u>Year 3</u>	<u>Year 3</u>
<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>	x	<u>Cdn \$</u>	<u>US\$</u>
-\$78,652	-\$17,321	x	-\$57,415	\$16,387	x	-\$39,568	\$48,773

If this dramatic decrease in revenue were to occur, it would have a significant negative impact on IPG's financial situation. However, the deficit appears to manageable by IPG because:

- the deficit is not huge, relative to the total revenues; and
- the recovery would occur (based on all the assumptions in the financial projections) by the third year of these projections to the point where the deficit was eliminated and a small surplus was generated.

Thus, with IPG management taking actions to reduce expenses, it is considered an acceptable and manageable risk, based on this sensitivity analysis.

Summary

A variety of situations can be analyzed, but, based on this analysis of a dramatic (50%) decrease in the only two new sources of revenue that have uncertainty (on the basis that the average earnings on the endowment fund are quite reliable), the development of this new Complex by the IPG appears to hold a manageable and acceptable level of risk.

10.0 Sources of funding

The Board of Directors of IPG has sought input from a variety of potential sources of funding.

A wide variety of sources of funding are expected to be necessary to complete the project. Discussion with many US and Canadian foundation and government representatives has already occurred. Very positive feedback for this concept has been received.

The potential funding sources that are anticipated to provide the funding for the project costs shown above include:

1. Direct local fundraising has in the past been successful through the Friends of the Garden initiative launched in the surrounding region. It is anticipated that this initiative will provide \$100,000 to the US and Canadian IPG Foundations to assist with the total project costs.
2. A World Appeal to people from around the world to have their names added to the Hall/Path of Peace. It is planned to have several levels of recognition for donations, with the levels planned for \$5,000, \$1,000, \$500 and \$200. To be conservative, these financial projections have assumed only donations at the \$200 level, and have estimated only generating 4,000 names prior to the completion of construction. The initial stone for the Hall/Path of Peace is included in the capital budget, thus, for these names during the first 2 years, the only cost is for inscription, estimated at Cdn\$50/name. Thus, the net funding/name, after deducting costs, during these first 2 years, is Cdn\$150. With the estimated numbers shown, this will generate a net contribution of Cdn\$600,000 (4,000 x Cdn\$150).
3. Private foundations and donors will be approached. A number have given preliminary positive indications. These institutions, especially in United States of America, but also in Canada, will be a primary focus of the Development Officer.
4. It is anticipated that the Western Economic Diversification agency of the Canadian Federal Government will fund the design and "up-front soft costs" for this project, totalling some 3/4 of the Cdn\$ 3.78136 million for the continuous construction approach. As shown in the financial projections, it is assumed that this funding would be without obligation to IPG. It would comprise a small percentage of the total project costs. It would facilitate the overall project to proceed by allowing the detailed design, market research and other work needed to finalize planning for the project to progress while other funding is finalized.
5. The four governments that are directly involved will be approached. These include the United States of America, the State of North Dakota, the Government of Canada, and the Province of Manitoba.

With the appropriate fundraising plan, the assignment of duties to individual directors, and the formation of a Fundraising Committee, the Board of Directors believes that it will have in place the resources to access the necessary funding.

The Board of Directors and senior management of IPG are well aware that many projects that obtain the initial capital funding later have problems in funding the on-going operational costs. A plan is already in place, having been developed to ensure that the Complex does not face shortages of operating funds. This includes avoiding the use of debt to finance the new facilities and creating an endowment fund to contribute to the O&M costs, thus reducing the future risks

for IPG. An analysis of the O&M costs and the endowment fund earnings is provided in Appendix 6.

In addition to the funding noted above, additional funding will include fundraising for in-kind contributions, including items such as library supplies, books, software and furnishings. For example, several anonymous donors have already indicated that they will provide a significant number of volumes from their private libraries, as a donation to the new Complex.

A Proforma Statement of Sources and Uses of Funds is provided in Appendix 8.

11.0 Economic impact analysis

Economic Impact of the Complex²⁰

The positive impacts of the Complex include many benefits that go far beyond just the economic impacts. As noted elsewhere, the fundamental justification for the Complex is based on the benefits of reduced conflicts, increased security, and improved global cooperation.

The two sections in Appendix 10 provide details of the estimate of the two different types of economic impacts, being the:

- One-time economic impact of the construction project; and
- Continuing annual economic impacts of the incremental increase in ongoing activities.

It is estimated that the expenditures will occur approximately 50% in the US and 50% in Canada. The economic impact estimates are only a guideline. They are based on broad industry averages and all the details of the future activities for the Complex are not yet fully documented.

The following table summarizes the economic impact on GDP and on job creation, from the development of the Complex.

Estimated Economic Impacts For the US and Canada

Type of Economic Impact	Construction Project (One-Time)	Incremental Activities (Ongoing)
	Canadian dollars	
Increased GDP	\$37.8 million	\$4.9 to \$11.8 million
Increased Employment	698 person-years	119 to 248 person-years

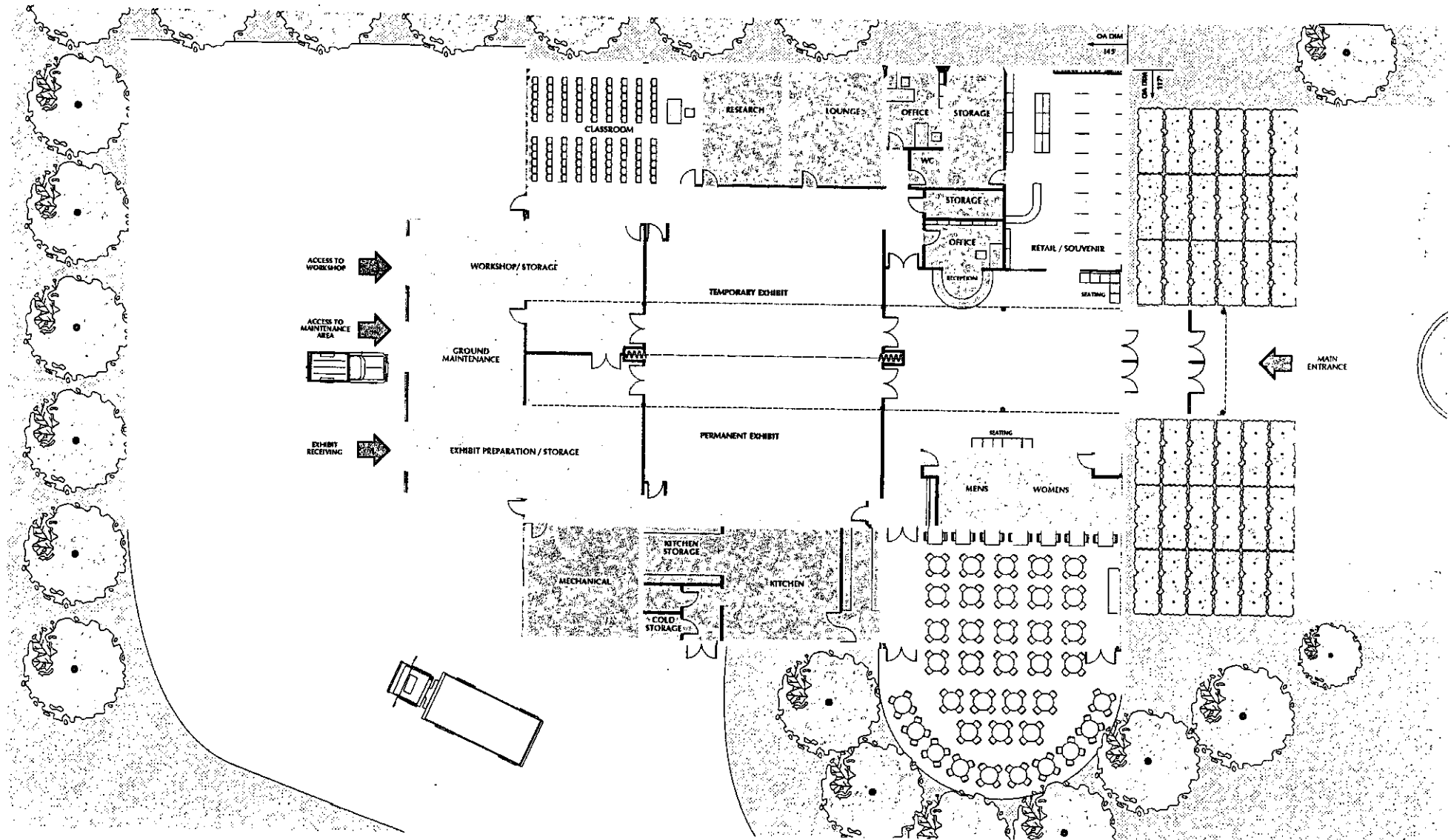
²⁰ In this document all financial information is converted from U.S. to Canadian at an exchange rate of US\$ 1 = Cdn\$1.33

Appendices

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Appendix 1 – Complex Design

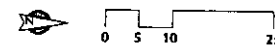


Interpretive Center - Floor plan
International Peace Garden

LEGEND

PUBLIC CIRCULATION	EXHIBIT SPACE	WORKSHOPS	SERVICE & SUPPORT
PUBLIC AMENITIES	STAFF CIRCULATION	ANCILLARY	

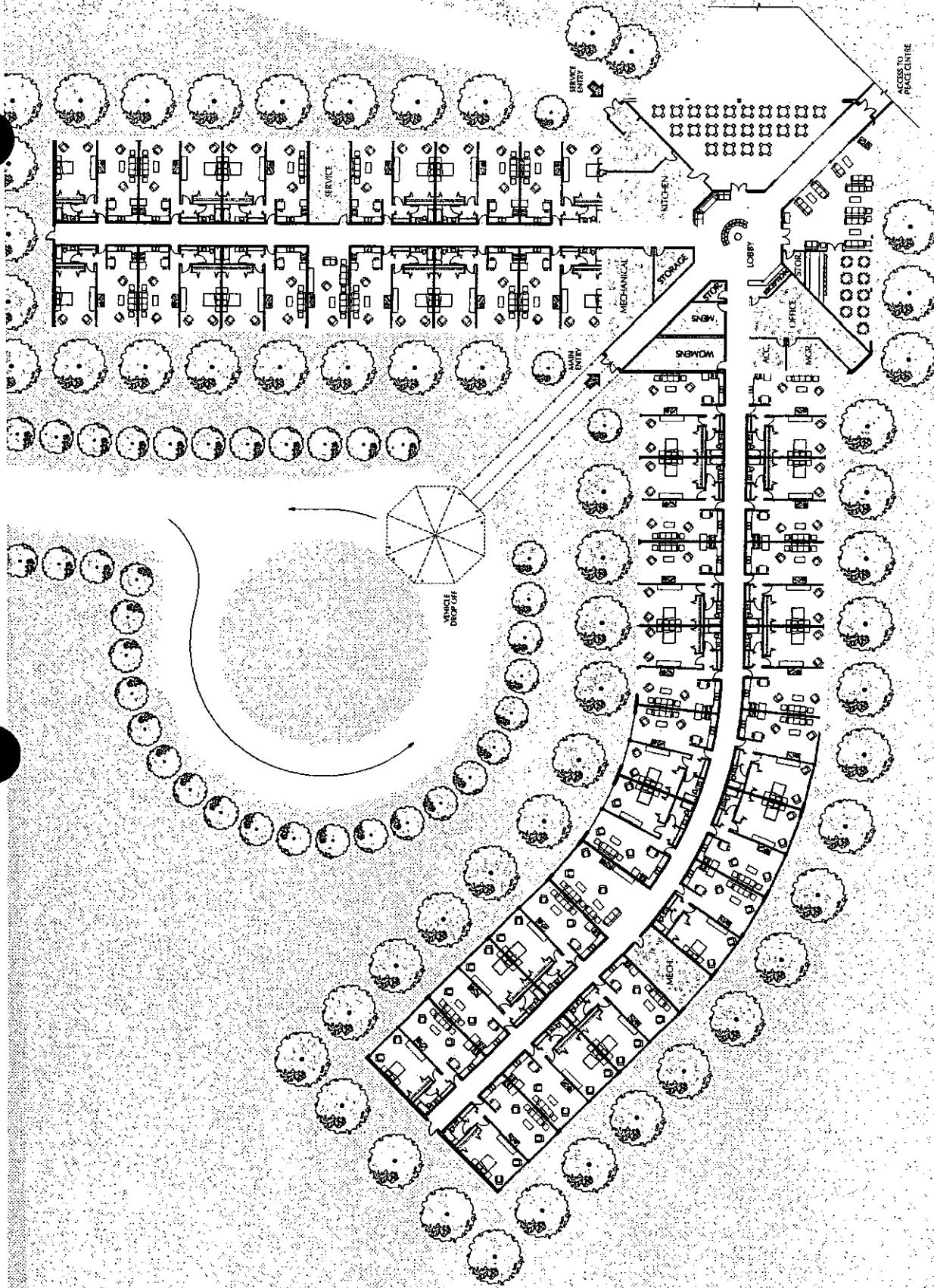
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Perry
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April 24, 2004 Proj. no. DD 2.1



LEGEND

- ☐ VISITOR CIRCULATION
- ☐ VISITOR AMENITIES
- ☐ PRIVATE SUITES
- ☐ ANCILLARY
- ☐ SERVICE & SUPPORT
- ☐ TOTAL OF 11 SUITES

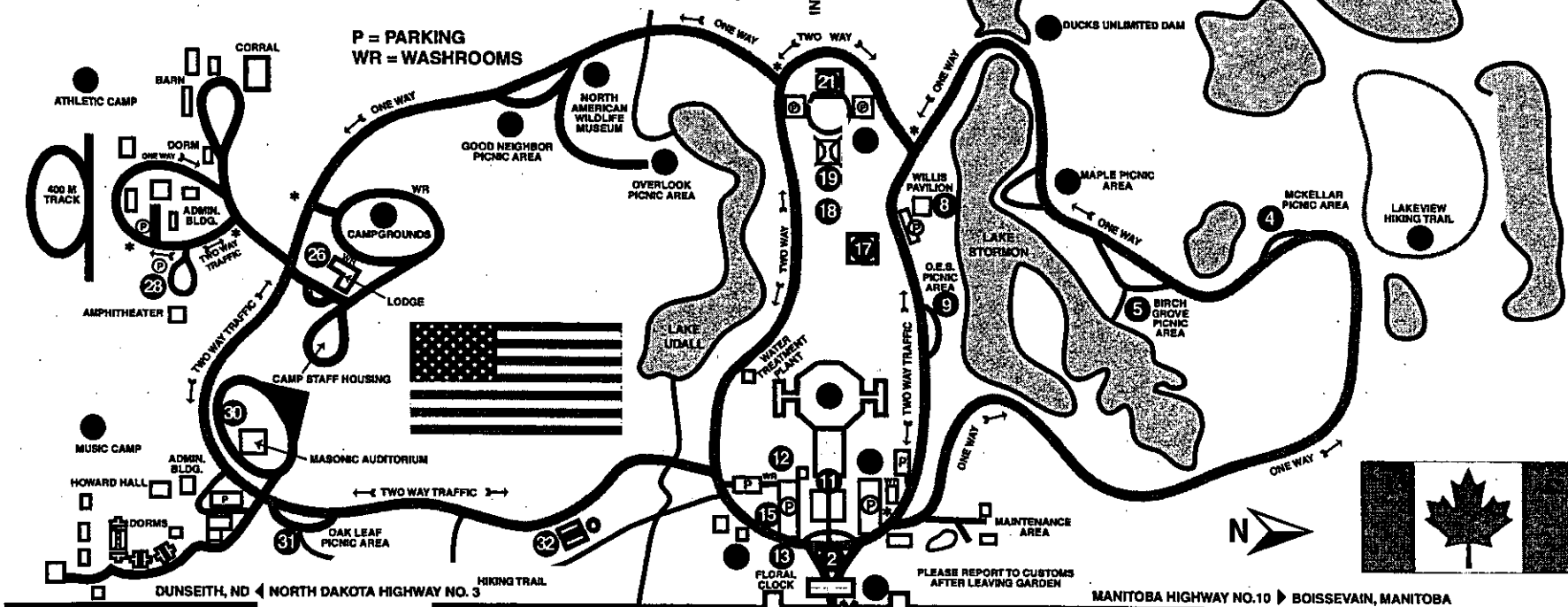
Appendix 2 – IPG Map

FINDING YOUR WAY...

IN THE INTERNATIONAL PEACE GARDEN

UNITED STATES CANADA

INTERNATIONAL
BOUNDARY



1. ENTRANCE GATE: 1964. Sovereign Grand Lodge Oddfellows and Rebekahs. Cairn: Unveiled July 14, 1932
2. ENTRANCE AREA BY: Women's Institute of Canada, Business & Professional Women's Clubs of Manitoba, Professional Grounds Management Society, National Homemakers USA, Federation of Women's Clubs, Nurses Association, International War Veterans Alliance, Daughters British Empire in USA and The National Chapter of Canada IOOE
3. LAKEVIEW HIKING TRAIL: 2.4 kilometers or 1.5 miles
4. MCKELLAR PICNIC AREA: Earl McKellar Memorial

5. BIRCH GROVE PICNIC AREA: Manitoba IOOE and the National Chapter of Canada IOOE
6. MAPLE PICNIC AREA: Manitoba & Federation Women's Institute Picnic Area
7. DUCKS UNLIMITED DAM
8. WILLIS PAVILION: Erick F. Willis Memorial
9. OES PICNIC AREA: Manitoba & Saskatchewan Order of Eastern Star
10. CAFE, GIFT SHOP WITH BABY CHANGING STATION WASHROOMS, PARKING LOT
11. FORMAL GARDEN AREA

12. INTERPRETIVE CENTER, RESTROOMS, VISITOR INFORMATION
13. FLORAL CLOCK
14. PEACE GARDEN ADMINISTRATION BUILDING
15. ALL AMERICAN SELECTION DISPLAY GARDEN
16. SUNKEN GARDEN: North Dakota Homemakers, National Homemakers, Manitoba Women's Institute
17. BELL TOWER: North Dakota Veterans Organization, Central United Church, Brandon, Manitoba

18. NEW YORK WORLD TRADE CENTRE MEMORIAL SITE
19. FIELD CROP DISPLAY
20. PEACE TOWER
21. PEACE CHAPEL: General Grand Chapter Order of Eastern Star
22. OVERLOOK PICNIC AREA: North Dakota Order of Eastern Star
23. GAME WARDEN WILDLIFE MUSEUM
24. GOOD NEIGHBOR PICNIC AREA: National Society Daughters of the British Empire
25. CAMPGROUNDS

26. LODGE: CCC Lodge
27. SPORTS CAMP: Royal Canadian Athletic Camp
28. AMPHITHEATER: Knights of Columbus, North Dakota and Manitoba
29. INTERNATIONAL MUSIC CAMP
30. MASONIC AUDITORIUM: North Dakota & Manitoba Masons
31. OAK LEAF PICNIC AREA: North Dakota Homemakers Extension Council
32. GREENHOUSE

Appendix 3 – Text on the World Trade Center Memorial Plaque

The following text is written on a plaque beside the memorial site.

International Peace Garden 9/11 Memorial

On September 11, 2001, the world stood still, while it watched in horror, as the twin towers of the World Trade Center crumbled to the earth, claiming the lives of 2,800 innocent souls in its wake.

Still today people around the world recall, reflect on, and remember the horrific events of 9/11 in an attempt to cope with the tragic loss of life that ensued.

On June 3, 2002 the International Peace Garden received ten, 10-foot girders from the trade center wreckage. The girders lie at rest at the 9/11 Memorial Site at the International Peace Garden as an everlasting reminder of the human tragedy that occurred one quiet September morning in New York City, Pennsylvania, and Washington, D.C.

On November 26, 2002, a design with the message recall, reflect, remember, understand, forgive and grow was chosen to help visitors cope with their feelings of remorse and confusion.

A 9/11 memorial competition was held, open to students registered at a recognized educational institution in either Manitoba or North Dakota. The competition was organized by Professor Charlie Thomsen, the Associate Dean of the Faculty of Architecture at The University of Manitoba, in Winnipeg, Manitoba.

The object of the competition was to develop a permanent memorial to those individuals who lost their lives in the event of September 11, 2001, incorporating the steel girders. There were 19 entries; the first place winner went to Derrick Wolbaum, Marcus Lund, and Tim Kennedy, 4th year Landscape Architecture Students from North Dakota State University in Fargo, ND.

On November 26, 2002, their design, with the message of recall, reflect, remember, understand, forgive, and grow was selected as the first place winner. The winning presentation is displayed at the International Peace Garden's Interpretive Center.

The design is composed of three separate, yet interdependent chambers titled Recall, Reflect, and Remember. It is yet unknown, and if the First Place Winning Design will be built at the Peace Garden. Funding will have to be in place. The estimated cost of the project is \$150,000.

Memorial Gift Forms are available for your convenience or you may make other donations, as well. Contact the office toll free: 1-888-432-6733

Recall, Reflect, Remember

RECALL: allows visitors to recall their emotional responses to the tragedy. Six girders extend from the ground and act as a gateway into the memorial.

REFLECT: identifies the importance of self-reflection in coming to terms with the tragedy. Here a single beam filled with water lies on the ground, where visitors can make a personal connection with the tragedy by touching both the beam and the soothing water that lies within.

REMEMBER: allow visitors to remember those individuals lost in the tragedy. A plaque will stand in remembrance of those who perished in the attack, while a native oak tree stands as a living memorial and a reminder of the power of life and the benefits of growth through tragedy.

Those who lost their lives will not be forgotten.

Appendix 4

IPG music concerts, festivals and celebrations 2004

The IPG offers a wide range of music concerts, festivals and celebrations throughout the summer months. Some of the events that are scheduled for May through August 2004 include:

MAY

May 9: Mother's Day Open House

May 23: Sunday Buffet –Willis Pavilion

JUNE

June 4: State Fireman's Convention

June 6: Pre Camp at the International Music Camp

June 11: Buddy Spicher - World Renowned fiddle player 8:00 pm Burdick Center

June 11-12: 29th Annual International Old-Time Fiddlers Contest

June 13: Opening Day at International Music Camp

June 18: Festival of the Arts Performance – Burdick 8:00 p.m.

June 18-19-20: International Peace Festival – CCC Lodge

June 19: Cadet Band & Cadet Choir Concert

June 23: Cheerleading Exhibition

June 25: Festival of the Arts Performance – Burdick 8:00

June 26: Cheerleading Exhibition, Team Dance and Total Percussion Exhibition.

JULY

July 2: International Brass Quintet – Burdick Ctr.

July 3: Creative Writing Readings, Total Percussion Exhibition

July 2: Fireworks at dusk in Celebration of Canada Day (July 1) & Independence Day (July 4)

July 4: Opening Day of the Royal Canadian Legion Athletic Camp

July 4: Sunday Buffet- Pavilion

July 4: Chapel Service – 11:00 a.m.

July 7: Extreme Dance Exhibition

July 9-11: International Ham Radio Festival – CCC Lodge

July 9: Old Fashioned Band Concert & Ice Cream Social 8:00pm

July 10: Extreme Dance Exhibition Drama Production, Band Concert

July 11: International Knights of Columbus Field Mass

July 11: Chapel Service – 11:00 a.m.

July 11: Sunday Buffet- Willis Pavilion

July 16: Organ Recital by Rodgers Musical Instruments Artist-In-Residence – Masonic
Memorial Auditorium – 8:00 pm

July 17: Guitar Recital, Hand Bell Exhibition, Choir Concert, Piano & Organ Recital and Dance
Recital & Show Choir Concert

July 18: Chapel Service – 11:00 a.m.

Appendix 5 – Peace and conflict resolution network contacts

Tier 1 (people with whom maintaining contact will be very important)

- **Greg Barrett, Mediation Services, Program Co-ordinator, Winnipeg, 204/925-3410**
- **Adrian Challis, Facilitated Solutions, 849 Westminster Ave., Winnipeg, MB R3G 1A7**
Phone: 204/774-5389 Email: achallis@mts.net - Now a private consultant who worked in the education system with respect to conflict resolution and developed conflict resolution programming for Winnipeg #1 School Division.
- **David Gross, Deputy Director and Legal Council, The Consensus Council, Inc., Bismarck, ND 701/224-0588 (www.agree.org)**
- **Bob McMahon, Project Director, Canadian Museum of Human Rights, Suite 1560 – 201 Portage Avenue, Winnipeg, MB R3B 3K6** Phone: 944-2471 Email: bmcMahon@friendsofcmhr.com
- **Dean Peachey, Vice-president and Academic Dean, Menno Simons College, Winnipeg, 204/786-9895** Email: dpeachey@cmu.ca

Tier 2 (people with whom contact could be made for consultative purposes)

- **Dr. Benjamin (Ben) Hoffman, New Math for Humanity, C/O Concorde Inc., 68B Raddatz Road, R.R. #2, Eganville, ON K0J 1T0** Phone: 613/754-5283 Fax: 613-754-2972 Email: Ben@newmathforhumanity.com Dr. Hoffman co-founded, with Senator Douglas Roche and others, the Canadian International Institute of Applied Negotiation in 1990. From 1995 to 2000, he was closely affiliated with the Pearson Peacekeeping Training Centre, directing the program on peacekeeping negotiation and mediation. In 2000, he accepted the position of Director of the Conflict Resolution Program at the Carter Center in Atlanta, Georgia. Currently he is Senior Fellow at The Fletcher School, and is a Visiting Scholar at the University of Victoria.
- **Brian McQuinn, Assistant to Matthew Hodes who is Senior Associate Director, Conflict Resolution Program, The Carter Center, Atlanta, Georgia. 404-420-5181**
- **Gary Purdy, Director and Undergraduate Counsellor, Centre for Peace Studies, McMaster University, Hamilton, Ontario 905/525-9140** Email: purdy@mcmaster.ca
- **Bill Stuebner, Executive Director, Alliance for International Conflict Prevention and Resolution, Washington, D.C. 202/822-6135**
- **Mr. Bill Patrie, Rural Development Director, Dakota Enterprise Center, Mandan, ND 1-800-234-0518**

People who would be excellent candidates for a brainstorming session regarding facilities, programming, etc.

Greg Barrett, Adrian Challis, David Gross, Dean Peachey, Bill Patrie

Appendix 6 – Estimated Capital Cost & Construction/Project Budget

International Centre for Peace and Conflict Resolution

Manitoba - North Dakota - International Border - Continuous Construction Schedule

April 24, 2004

Caboury
Préfontaine
Perry
architects

Tasks

Design, Geotech., Eng. (\$3.4M)

- Conceptual Development
- Re-confirm existing building program
- Conceptual Design
- Submission of Conceptual Design

- Design Development
- Geotechnical Investigation
- Preliminary Engineering Design
- Design Development Dwg's & Submission
- Class C Budget Cost Estimate

Design Development Approval

Contract Documents

- Develop Construction Dwg's & Spec.
- Identify Furniture, Equipment & Built-ins
- 50% Complete Drawing Submission

Approval

- Finalize Engineering Design & Dwg's.
- Complete Contract Documents and Submit
- Class A Detailed Cost Estimate

Approval

Tender & Award

- Tender Period
- Review of Bids/Negotiations/Recommend.
- Permit Application

Award of Tender

International Centre for Peace (\$17.2 M)

- Mobilization
- Construction
- Bldg. Deficiency Lists and Commissioning
- Take-over of International Centre for Peace
- Warranty Period

Visitor Accommodations (\$10.8 M)

- Construction
- Bldg. Deficiency Lists and Commissioning
- Final Completion and Take-over
- Warranty Period

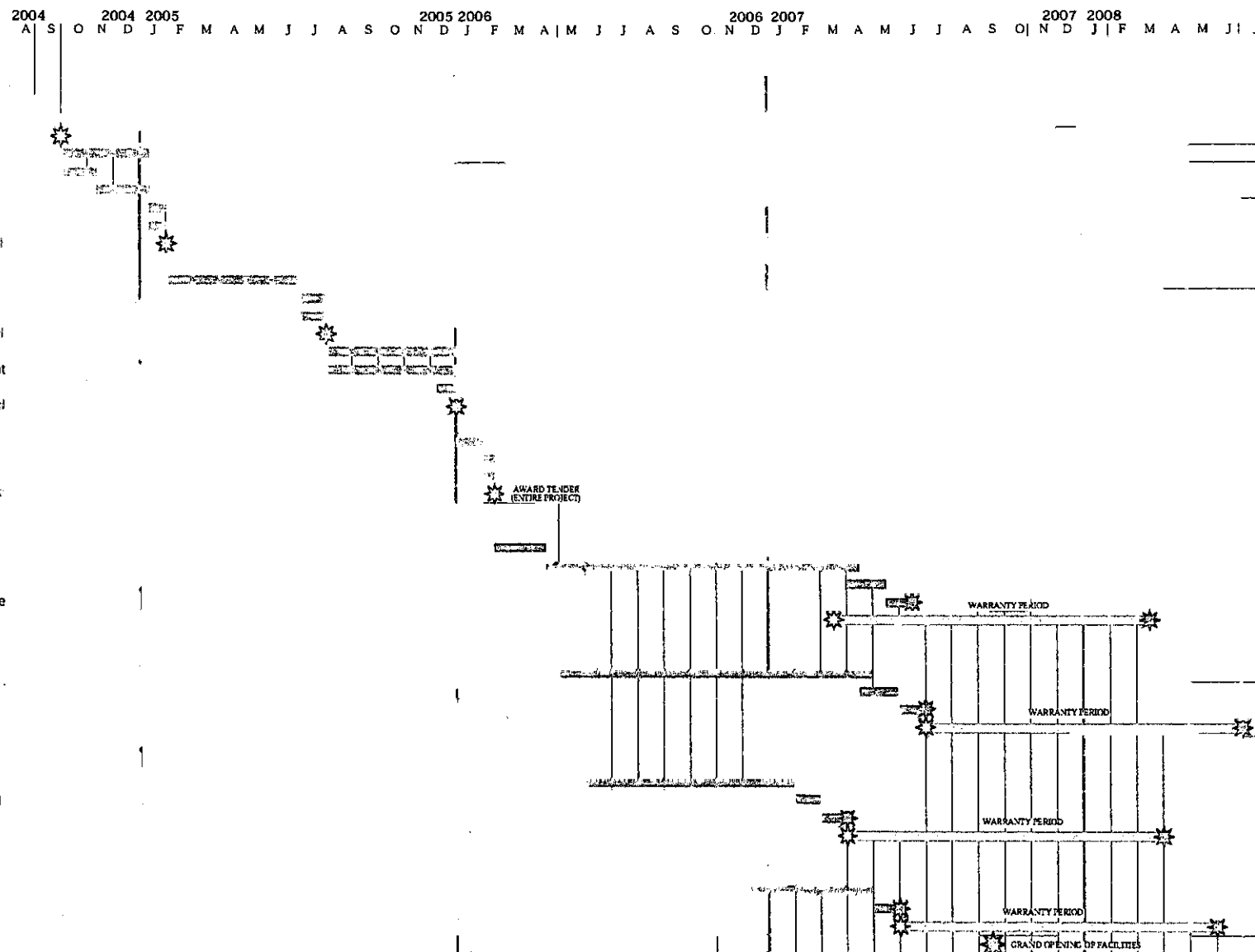
Interpretive Centre (\$6.0 M)

- Construction
- Bldg. Deficiency Lists and Commissioning
- Take-over of Interpretive Centre
- Warranty Period

Landscaping & Gardens (\$1.9 M)

- Landscaping
- Landscaping Deficiency List & Take Over
- Warranty Period

GRAND OPENING



International Centre for Peace and Conflict Resolution

Page 1

Summary - Capital/Project Costs

CONTINUOUS Construction Schedule

	Canadian \$	Canadian \$	Exchange	US\$	US\$
	<u>Capital Cost</u>	<u>Subtotals</u>	<u>Rate</u>	<u>Capital Cost</u>	<u>Subtotals</u>
International Centre for Peace	\$10,517,522		1.33333	\$7,888,142	
Visitor Accommodation	\$8,464,701			\$6,348,526	
Interpretive Centre	\$4,771,184			\$3,578,388	
Subtotal		\$23,753,407			\$17,815,055
Landscaping and Gardens	\$3,000,000			\$2,250,000	
Subtotal		\$26,753,407			\$20,065,055
Hall/Path of Peace	\$250,000				
Subtotal		\$27,003,407			
Design and Soft Costs	\$2,700,340			\$2,025,255	
Design Contingency (4%)	\$1,080,136			\$810,102	
Design Subtotal (incl. Contingency)	<u>\$3,780,476</u>			<u>\$2,835,357</u>	
Construction Contingency (6%)	\$1,620,204			\$1,215,153	
Subtotal		\$32,404,087			\$24,303,065
Endowment Fund	\$3,240,408			\$2,430,306	
Total Project Budget		\$35,644,495			\$26,733,371

International Centre for Peace and Conflict Resolution

Page 2

Capital/Project Costs - Timeline Continuous Construction Schedule	Canadian \$		Exchange	US\$	
	<u>2005/6</u>	<u>2006/7</u>	<u>Rate</u>	<u>2005/6</u>	<u>2006/7</u>
Design, Plan, Test, Engineer					
Design, Geotechnical, Plans, Engineering ⁽¹⁾	\$2,700,340			\$2,025,255	
Design Contingency	\$1,080,136			\$810,102	
Phase Subtotal					
International Centre for Peace					
International Centre for Peace	\$10,517,522			\$7,888,142	
Memory Hall	\$250,000			\$187,500	
Visitor Accommodations		\$8,464,701			\$6,348,4
Interpretive Centre		\$4,771,184			\$3,578,3
Landscaping and Gardens (2)	\$750,000	\$2,250,000		\$562,500	\$1,687,5
Construction Contingency	\$646,051	\$974,153			\$730,6
Endowment Fund		\$3,240,408			\$2,430,3
Yearly Total	<u>\$15,944,049</u>	<u>\$19,700,446</u>		<u>\$11,958,037</u>	<u>\$14,775,3</u>
Project Total		\$35,644,495			\$26,733,3

Notes:

1 Assumes US \$ to Cdn \$ exchange rate to be as shown.

2 Assumes that the portion that occurs in the first year is 25.0%

International Centre for Peace and Conflict Resolution

Page 3

Summary - Capital/Project Costs PHASED Construction Schedule

	Canadian \$	Canadian \$	Exchange	US\$	US\$
	<u>Capital Cost</u>	<u>Subtotals</u>	<u>Rate</u>	<u>Capital Cost</u>	<u>Subtotals</u>
International Centre for Peace	\$10,517,522		1.33333	\$7,888,142	
Visitor Accommodation	\$10,644,978			\$7,983,734	
Interpretive Centre	\$5,129,023			\$3,846,767	
Subtotal		\$26,291,523			\$19,718,642
Landscaping and Gardens	\$3,336,375			\$2,502,281	
Subtotal		\$29,627,898			\$22,220,924
Hall/Path of Peace	\$250,000				
Subtotal		\$29,877,898			
Design and Soft Costs	\$2,987,790			\$2,240,843	
Design Contingency (4%)	\$1,616,351			\$1,212,263	
Design Subtotal (incl. Contingency)	<u>\$4,604,141</u>			<u>\$3,453,106</u>	
Construction Contingency (6%)	\$2,586,161			\$1,939,621	
Subtotal		\$37,068,200			\$27,801,150
Endowment Fund	\$4,849,053			\$3,636,790	
Total Project Budget		<u>\$41,917,253</u>			<u>\$31,437,940</u>

International Centre for Peace and Conflict Resolution

Page 4 A

Capital/Project Costs - Timeline Phased Construction Schedule

	Canadian \$ <u>2005/6</u>	Canadian \$ <u>2006/7</u>	Canadian \$ <u>2007/08</u>	Canadian \$ <u>2008/09</u>	Phase <u>Total</u>
Phase One - Design, Plan, Test, Engineer					
Design, Geotechnical, Plans, Engineering ⁽¹⁾	\$2,987,790				
Design Contingency	\$1,616,351				
Phase Subtotal					\$4,604,141
Phase Two - International Centre for Peace					
International Centre for Peace		\$10,517,522			
Hall/Path of Peace		\$250,000			
Visitor Accommodations ⁽²⁾		\$2,128,996			
Landscaping (partial) ⁽³⁾		\$500,456			
Construction Contingency		\$1,159,611			
Endowment Fund		\$4,849,053			
Phase Subtotal					\$19,405,638
Phase Three - Interpretive Centre					
Interpretive Centre			\$5,129,023		
Visitor Accommodations ⁽⁴⁾			\$4,790,240		
Landscaping (partial) ⁽⁵⁾			\$834,094		
Construction Contingency			\$930,785		
Phase Subtotal					\$11,684,142
Phase Four - Landscaping and Gardens					
Landscaping (partial) ⁽⁶⁾				\$2,001,825	
Visitor Accommodations ⁽⁷⁾				\$3,725,742	
Construction Contingency				\$495,765	
Phase Subtotal					\$6,223,332
Total	\$4,604,141	\$19,405,638	\$11,684,142	\$6,223,332	\$41,917,253

Notes:

- 1 Will include all aspects necessary to be able to tender for construction.
- 2 Is the first portion of the construction of what will be a larger total structure.
The cost estimate is based on % of the total being 20%
- 3 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 15%
- 4 Construction of an addition to the structure.
The cost estimate is based on the % of total costs being 45%
- 5 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 25%
- 6 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 60%
- 7 Construction of the balance of the structure.
The cost estimate is based on the % of total costs being 35%

International Centre for Peace and Conflict Resolution Page 4 B US\$

Capital/Project Costs - Timeline

Phased Construction Schedule

	US \$	US \$	US \$	US \$	Phase
	<u>2005/6</u>	<u>2006/7</u>	<u>2007/08</u>	<u>2008/09</u>	<u>Total</u>
Exchange Rate: \$1 US = Cdn\$ 1.33333					
Phase One - Design, Plan, Test, Engineer					
Design, Geotechnical, Plans, Engineering ⁽¹⁾	\$2,240,843				
Design Contingency	\$1,212,263				
Phase Subtotal					\$3,453,106
Phase Two - International Centre for Peace					
International Centre for Peace		\$7,888,142			
Hall/Path of Peace		\$187,500			
Visitor Accommodations ⁽²⁾		\$1,596,747			
Landscaping (partial) ⁽³⁾		\$375,342			
Construction Contingency		\$869,708			
Endowment Fund		\$3,636,790			
Phase Subtotal					\$14,554,228
Phase Three - Interpretive Centre					
Interpretive Centre			\$3,846,767		
Visitor Accommodations ⁽⁴⁾			\$3,592,680		
Landscaping (partial) ⁽⁵⁾			\$625,570		
Construction Contingency			\$698,089		
Phase Subtotal					\$8,763,107
Phase Four - Landscaping and Gardens					
Landscaping (partial) ⁽⁶⁾				\$1,501,369	
Visitor Accommodations ⁽⁷⁾				\$2,794,307	
Construction Contingency				\$371,824	
Phase Subtotal					\$4,667,499
Total	\$3,453,106	\$14,554,228	\$8,763,107	\$4,667,499	\$31,437,940

Notes:

- 1 Will include all aspects necessary to be able to tender for construction.
- 2 Is the first portion of the construction of what will be a larger total structure.
The cost estimate is based on % of the total being 20%
- 3 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 15%
- 4 Construction of an addition to the structure.
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- 5 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 25%
- 6 Only a portion of the total landscaping, which cannot be completed until the construction is complete. The estimated cost is based on the % of the total landscaping costs being 60%
- 7 Construction of the balance of the structure.
The cost estimate is based on the % of total costs being 35%

International Centre for Peace and Conflict Resolution Page 5

Analysis - Endowment Fund Relative To O&M Costs

O&M Costs

(Estimated by Gaboury, Préfontaine, Perry architect.e.s. with assistance of Nova 3 Engineering Ltd.)

Energy Costs:	Canadian \$	
International Centre for Peace	\$64,100	
Accommodations Building	\$37,110	
Interpretive Centre	\$28,045	
Subtotal	\$129,255	
O&M Costs:		
International Centre for Peace	\$33,427	
Accommodations Building	\$44,019	
Interpretive Centre	\$15,461	
Subtotal	\$92,907	
TOTAL O&M Costs	\$222,162	Canadian \$ \$222,162
Rate of Return (Net)		6.00%
Required Endowment Fund (to cover 100% of O&M costs)		\$3,702,700
Planned Endowment Fund		\$3,240,408
Earnings on Planned Endowment Fund		\$194,424
Annual O&M Costs NOT Covered by Endowment Fund Earnings		\$27,738

Appendix 7 – IPG historic financial information

International Centre for Peace and Conflict Resolution

Page 1

Historical Financial Information

	<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>	
	<u>Cdn \$</u>	<u>US\$</u>	<u>Cdn \$</u>	<u>US\$</u>	<u>Cdn \$</u>	<u>US\$</u>	<u>Cdn \$</u>	<u>US\$</u>	<u>Cdn \$</u>	<u>US\$</u>
Revenue										
Gate Receipts	\$58,542	\$94,996 x	\$74,170	\$107,432 x	\$73,668	\$104,807 x	\$82,340	\$109,624 x	\$81,331	\$109,281
Camping Fees	\$6,438	\$14,978 x	\$6,867	\$14,296 x	\$8,459	\$17,344 x	\$9,315	\$17,644 x	\$9,501	\$20,104
Youth Camps	\$13,718	\$47,568 x	\$12,914	\$48,553 x	\$19,422	\$47,076 x	\$25,350	\$48,805 x	\$26,490	\$45,259
Retail Revenue	\$0	\$0 x	\$0	\$54,422 x	\$0	\$40,000 x	\$0	\$34,000 x	\$0	\$40,000
Catering Fees	\$3,225	\$151 x	\$5,666	\$0 x	\$4,813	\$330 x	\$5,039	\$0 x	\$3,175	\$189
Other Building Rentals	\$8,640	\$6,445 x	\$11,488	\$9,645 x	\$11,318	\$10,057 x	\$17,420	\$8,209 x	\$24,240	\$8,905
Duty Free Shop Lease	\$3,600	\$0 x	\$3,600	\$0 x	\$3,600	\$0 x	\$3,600	\$0 x	\$3,600	\$0
Firewood Sales	\$52	\$148 x	\$79	\$49 x	\$0	\$0 x	\$0	\$0 x	\$0	\$0
Facility Revenue Subtotal	<u>\$94,215</u>	<u>\$164,287 x</u>	<u>\$114,784</u>	<u>\$234,398 x</u>	<u>\$121,279</u>	<u>\$219,615 x</u>	<u>\$143,063</u>	<u>\$218,282 x</u>	<u>\$148,337</u>	<u>\$223,738</u>
Miscellaneous ⁽¹⁾	\$21,402	\$14,127 x	\$42,600	\$4,846 x	\$66,422	\$7,903 x	\$53,608	\$8,462 x	\$16,477	\$7,041
Government - ND State		\$182,292 x		\$182,292 x		\$182,292 x		\$182,291 x		\$176,427
Government - MB Province	\$125,000	x	\$182,200	x	\$182,225	x	\$182,200	x	\$182,200	
Government - Federal Canadian	\$22,700	x	\$22,700	x	\$22,700	x	\$22,700	x	\$22,700	
Local Community	\$635	x	\$660	x	\$85	x	\$235	x	\$10	
Total Revenue	\$263,952	\$360,706 x	\$362,944	\$421,536 x	\$392,711	\$409,810 x	\$401,806	\$409,035 x	\$369,724	\$407,206

Expenses	<u>1999</u> <u>Cdn \$</u>	<u>1999</u> <u>US\$</u>	x	<u>2000</u> <u>Cdn \$</u>	<u>2000</u> <u>US\$</u>	x	<u>20001</u> <u>Cdn \$</u>	<u>2001</u> <u>US\$</u>	x	<u>2002</u> <u>Cdn \$</u>	<u>2002</u> <u>US\$</u>	x	<u>2003</u> <u>Cdn \$</u>	<u>2003</u> <u>US\$</u>
Payroll Expenses			x			x			x			x		
Seasonal Staff	\$101,712	\$103,688	x	\$93,319	\$71,845	x	\$99,497	\$68,164	x	\$86,931	\$61,176	x	\$67,917	\$74,994
Full Time Staff	\$86,680	\$106,772	x	\$99,717	\$46,755	x	\$108,243	\$50,195	x	\$128,726	\$54,594	x	\$117,486	\$61,728
Benefits	\$26,061	\$53,941	x	\$27,809	\$32,331	x	\$29,681	\$29,695	x	\$30,896	\$35,522	x	\$31,830	\$45,199
Subtotal	<u>\$214,453</u>	<u>\$264,400</u>	x	<u>\$220,845</u>	<u>\$150,930</u>	x	<u>\$237,421</u>	<u>\$148,054</u>	x	<u>\$246,553</u>	<u>\$151,292</u>	x	<u>\$217,233</u>	<u>\$181,921</u>
Administration ⁽²⁾	\$13,035	\$16,237	x	\$20,658	\$5,601	x	\$10,423	\$7,177	x	\$11,721	\$14,116	x	\$17,859	\$13,217
Travel	\$1,589	\$2,365	x	\$2,501	\$798	x	\$3,394	\$2,348	x	\$3,403	\$1,473	x	\$2,328	\$2,436
Marketing & Promotion	\$8,866	\$21,885	x	\$9,370	\$10,631	x	\$11,714	\$11,698	x	\$22,269	\$12,718	x	\$24,460	\$17,165
General Operations ⁽³⁾	\$27,799	\$135,577	x	\$29,048	\$121,037	x	\$28,428	\$136,186	x	\$29,054	\$136,721	x	\$31,156	\$133,218
Water Treatment	\$1,453	\$6,150	x	\$21,849	\$5,539	x	\$26,544	\$6,439	x	\$1,351	\$4,686	x	\$1,807	\$6,553
Horticulture	\$15,267	\$15,368	x	\$16,350	\$7,838	x	\$7,395	\$14,781	x	\$5,583	\$8,724	x	\$3,389	\$13,556
Buildings and Grounds	\$12,973	\$18,994	x	\$10,478	\$12,788	x	\$11,777	\$10,340	x	\$17,661	\$12,315	x	\$43,031	\$22,679
Other Costs ⁽⁴⁾	\$17,691	\$10,531	x	\$14,023	\$26,718	x	\$16,340	\$100	x	\$47,084	\$220	x	\$19,131	\$879
Total Expense (before D&A)	<u>\$313,126</u>	<u>\$491,507</u>	x	<u>\$345,122</u>	<u>\$341,880</u>	x	<u>\$353,436</u>	<u>\$337,123</u>	x	<u>\$384,679</u>	<u>\$342,265</u>	x	<u>\$360,394</u>	<u>\$391,624</u>
Amortization & Depreciation ⁽⁵⁾			x			x			x			x		
Total Expense	\$313,126	\$491,507	x	\$345,122	\$341,880	x	\$353,436	\$337,123	x	\$384,679	\$342,265	x	\$360,394	\$391,624
			x			x			x			x		
Surplus/Deficit ⁽⁶⁾	-\$49,174	-\$130,801	x	\$17,822	\$79,656	x	\$39,275	\$72,687	x	\$17,127	\$66,770	x	\$9,330	\$15,582
			x			x			x			x		
Capital Expenditures	\$48,942	\$41,243	x	\$49,618	\$2,647	x	\$25,860	\$12,998	x	\$17,216	\$16,063	x	\$44,328	\$2,383

Notes:

- 1 Miscellaneous includes interest, general contributions, reimbursements, Trade Centre Memorial, music camp dorm income, etc.
- 2 Includes office supplies, computer supplies, presidents expenses, meeting expenses, legal fees, consultants fees, postage, freight, subscriptions, photocopies, printing, accounting and bank charges.
- 3 Includes property and liability insurance, park vehicles, phone/communications, electricity, propane, fuel, garbage removal, janitorial supplies, and staff training.
- 4 Includes non-refundable PST and GST, interest expense and miscellaneous.
- 5 The International Peace Garden has shown the capital cost of purchases and construction on a cash basis, expensing them at the time of acquisition, and therefore no depreciation or amortization is utilized.
- 6 The organization is exempt from income tax in both United States and Canada.

Appendix 8 – IPG proforma financial projections

International Centre for Peace and Conflict Resolution

Page 1

Pro-Forma Statement of Sources and Uses of Funds

Uses of Funds:

	Exchange Rate	Canadian \$	US\$
Capital/Project Costs (See Capital Cost Sheet)	1.3333	\$35,644,495	\$26,733,371
Total Uses of Funds		\$35,644,495	\$26,733,371

Sources of Funds:

International Peace Garden ⁽¹⁾			
Hall/Path of Peace Donations ⁽²⁾			
Private Foundations and Trusts			
USA Federal Government			
Canadian Federal Government & Agencies (e.g. WED)			
State Governments			
Provincial Governments			
Others			
Total Sources of Funds		\$35,644,495	\$26,733,371

Notes:

- 1 IPG's Development Officer program of applications to foundations, etc.
- 2 Estimated number of donations during construction period are described in Section 10 of the Business Plan text.

International Centre for Peace and Conflict Resolution

Pro-Forma Income Statements - Years 1 - 3 After Development Complete

Exchange rate = \$1.33333

	<u>Year 1 ⁽¹⁾</u>		<u>Year 1</u>	x	<u>Year 2</u>		<u>Year 2</u>	x	<u>Year 3</u>		<u>Year 3</u>
	<u>Cdn \$</u>		<u>US\$</u>	x	<u>Cdn \$</u>		<u>US\$</u>	x	<u>Cdn \$</u>		<u>US\$</u>
Revenue ⁽²⁾				x				x			
Gate Receipts	\$112,237		\$150,808	x	\$123,460		\$165,889	x	\$135,807		\$182,477
Camping Fees	\$13,111		\$27,744	x	\$14,423		\$30,518	x	\$15,865		\$33,577
Youth Camps	\$36,556		\$62,457	x	\$40,211		\$68,703	x	\$44,233		\$75,577
Retail Revenue	\$0		\$55,200	x	\$0		\$60,720	x	\$0		\$66,799
Catering Fees	\$4,382		\$261	x	\$4,820		\$287	x	\$5,302		\$31
Other Building Rentals	\$33,451		\$12,289	x	\$36,796		\$13,518	x	\$40,476		\$14,877
Duty Free Shop Lease	\$4,968		\$0	x	\$5,465		\$0	x	\$6,011		\$0
Firewood Sales	\$0		\$0	x	\$0		\$0	x	\$0		\$0
Facility Revenue Subtotal	<u>\$204,705</u>		<u>\$308,758</u>	x	<u>\$225,175</u>		<u>\$339,634</u>	x	<u>\$247,693</u>		<u>\$373,599</u>
Miscellaneous ⁽³⁾	\$16,477		\$7,041	x	\$16,477		\$7,041	x	\$16,477		\$7,041
Government - ND State ⁽⁴⁾			\$176,427	x			\$176,427	x			\$176,427
Government - MB Province	\$182,200			x	\$182,200			x	\$182,200		
Government - Federal Canadian	\$22,700			x	\$22,700			x	\$22,700		
Local Community	\$500		\$500	x	\$500		\$500	x	\$500		\$500
Subtotal Revenue (Historical Sources)	<u>\$426,582</u>		<u>\$492,726</u>	x	<u>\$447,052</u>		<u>\$523,602</u>	x	<u>\$469,570</u>		<u>\$557,567</u>
Endowment Fund Earnings ⁽⁵⁾	\$194,424		\$0	x	\$194,424		\$0	x	\$194,424		\$0
New - rental ⁽⁶⁾	\$75,000		\$75,000	x	\$100,000		\$100,000	x	\$125,000		\$125,000
Hall/Path of Peace ⁽⁷⁾	\$125,000		\$93,750	x	\$100,000		\$75,000	x	\$90,000		\$67,500
Subtotal Revenue (New Sources)	<u>\$394,424</u>		<u>\$168,750</u>		<u>\$394,424</u>		<u>\$175,000</u>		<u>\$409,424</u>		<u>\$192,500</u>
Total Revenue	\$821,006		\$661,476	x	\$841,477		\$698,602	x	\$878,994		\$750,067

Expenses	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3
	Cdn \$	US\$ x	Cdn \$	US\$ x	Cdn \$	US\$
Payroll Expenses ⁽⁸⁾						
Seasonal Staff	\$74,836	\$82,634 x	\$76,707	\$84,700 x	\$78,625	\$86,817
Full Time Staff	\$129,455	\$68,017 x	\$132,691	\$69,717 x	\$136,009	\$71,460
Benefits	\$35,072	\$49,804 x	\$35,949	\$51,049 x	\$36,848	\$52,325
Subtotal	<u>\$239,363</u>	<u>\$200,454 x</u>	<u>\$245,347</u>	<u>\$205,466 x</u>	<u>\$251,481</u>	<u>\$210,602</u>
Administration ⁽⁹⁾	\$21,770	\$16,112 x	\$22,859	\$16,917 x	\$24,002	\$17,763
Travel	\$2,838	\$2,969 x	\$2,980	\$3,118 x	\$3,129	\$3,274
Marketing & Promotion	\$29,817	\$20,924 x	\$31,308	\$21,970 x	\$32,873	\$23,069
General Operations	\$37,979	\$162,393 x	\$39,878	\$170,512 x	\$41,872	\$179,038
Water Treatment	\$2,203	\$7,988 x	\$2,313	\$8,388 x	\$2,429	\$8,807
Horticulture	\$4,131	\$16,525 x	\$4,338	\$17,351 x	\$4,555	\$18,219
Buildings and Grounds	\$52,455	\$27,646 x	\$55,078	\$29,028 x	\$57,831	\$30,479
Other Costs	\$23,321	\$1,072 x	\$24,487	\$1,125 x	\$25,711	\$1,181
Subtotal Expense (Historical)	<u>\$413,877</u>	<u>\$456,082 x</u>	<u>\$428,586</u>	<u>\$473,875 x</u>	<u>\$443,882</u>	<u>\$492,432</u>
New Facilities - O&M ⁽¹⁰⁾	\$222,162	\$0 x	\$226,605	\$0 x	\$231,137	\$0
New Staff ⁽¹¹⁾	\$101,120	\$75,840 x	\$91,200	\$68,340 x	\$93,480	\$70,049
Development Officer ⁽¹²⁾	\$100,000	\$100,000 x	\$102,500	\$102,500 x	\$105,063	\$105,063
New Marketing Costs ⁽¹³⁾	\$65,000	\$65,000	\$40,000	\$40,000	\$40,000	\$40,000
Subtotal Expense (New)	<u>\$423,282</u>	<u>\$175,840 x</u>	<u>\$420,305</u>	<u>\$170,840 x</u>	<u>\$429,680</u>	<u>\$175,111</u>
Amortization & Depreciation ⁽¹⁴⁾		x		x		
Total Expense	\$837,159	\$631,922 x	\$848,892	\$644,715 x	\$873,562	\$667,543
Surplus/Deficit	<u>-\$16,152</u>	<u>\$29,554 x</u>	<u>-\$7,415</u>	<u>\$53,887 x</u>	<u>\$5,432</u>	<u>\$82,523</u>
Capital Expenditures ⁽¹⁵⁾	\$25,000	\$25,000 x	\$25,000	\$25,000 x	\$25,000	\$25,000

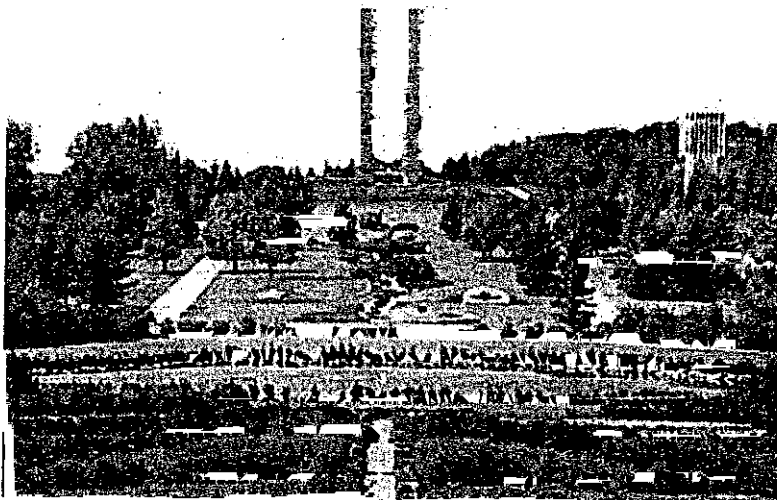
Notes:

- 1 Assumes design and construction occur in years 2004 to 2007, as per section 4.2 of the Business Plan, with Year 1 of this Proforma Income Statement being for the first full year after completion of construction.
- 2 Assumes on-going trend line increases, at conservative rate (based on 1999 to 2003 average annual change) in the Facility Revenues, with one year with no increase due to construction disruption, from 2003 historical information to the final year of construction of **5.0%**
Assumes an increase in Facility Revenues in the first year after development is complete of **20.0%**
Then, for the next 2 years assumes an annual increase in Facility Revenues of **10.0%**
- 3 Assumes on-going trend line increases in the Miscellaneous Revenues, with one year with no increase due to construction disruption, from 2003 historical information to the final year of construction of **0.0%**
Assumes an increase in Misc. Revenues in the first year after development is complete of **0.0%**
And, then for the next 2 years assumes an annual increase in Misc. Revenues of **0.0%**
- 4 It is assumed that all the Government sources of revenue remain constant from 2003 onward.
- 5 The endowment fund will be established in the amount shown in the text of the Business Plan. The earnings will be used for the operating and maintenance costs of the new facilities. For simplicity, the earnings have been shown only in one currency, even though the earnings are expected to be in both US and Cdn currency.
- 6 This includes rental of the new facilities including the Visitor Accommodations, conference facility, food service, and new shop. It has been estimated to generate \$150,000, \$200,000 and \$250,000 (split between the two currencies) over the 3 years. During the market research work in the detailed design stage, further estimation of these is required.
- 7 It is assumed that the Hall/Path of Peace donations for the years during construction are used to assist in funding the capital costs of the project. Starting in the first year after construction, it is assumed that the Hall/Path of Peace donations are available to assist in covering other costs as shown. It is assumed that the Hall/Path of Peace spaces for a name will be sold for \$200, with a cost per name for inscription and the purchase of the additional stone, etc. of \$100, so that a net/name is generated (Cdn)= **\$100** or US \$ net of **\$75**
It is assumed that in the first year after construction the number of name donations is **2,500**
and that in the second year after construction the number of name donations is **2,000**
and that in the third year after construction is completed the number of name donations is **1,800**
- 8 These payroll expenses do not include the increased staff for the new development.
The annual increase in costs for existing staff, from the 2003 to the final year of construction, with one year with no increase due to construction disruption, is assumed to be at the annual rate, of **2.5%**
For the first year after the development is complete, the increase is assumed to be at the rate of **2.5%**
And, then for the next 2 years assumes an annual increase at the rate of **2.5%**
- 9 The expenses, other than payroll and the new expenses related to the new development, are assumed to increase, for the period 2003 to the final year of construction (with 1 year with no increase), at the annual rate of **2.0%**
For the first year after the development is complete, the increase is assumed to be at the rate of **15.0%**
And, then for the next 2 years assumes an annual increase at the rate of **5.0%**
- 10 The "O & M" expenses include the maintenance of the building and its systems, heat, light, etc.
It is assumed that the new O&M expenses will increase at the same rate as the expenses above, i.e. **2.0%**
For simplicity, the expenses have been shown only in one currency, even though they will be in both currencies.
- 11 As IPG will be renting most of the facilities to other organizations to operate their programs, the new staff are expected to consist of those described in Section 7.0 of the Business Plan. This assumes that the facilities are mostly rented to others that will operate them, rather than having the IPG operate the kitchens, janitorial, linens for the accommodations, etc. The costs for the first two years of this projection are as per the description in Sec. 7 of the Business Plan. The annual increase, for the 3rd year only, is assumed at **2.5%**
- 12 A development officer is assumed to be hired. Including the related travel and promotion costs the total expenses per year are estimated to be **\$200,000**
- 13 The "new" marketing costs include expanded website, participation at events such as tradeshow/conferences, display booth, brochures, mail/postage, email lists, calls and contacts, etc. It is estimated at \$80,000/yr.(50-50 by currency) with no increase over the 3 years. This is a limited budget to add to the existing +/- \$50,000 budget (for a total of \$130,000/yr.) to supplement the activities of the Development Officer and their travel included in their budget. During the first year, there will be one-time development costs of the above new marketing and promotional materials, estimated at \$50,000 (split 50-50 by currency).
- 14 Due to the capital purchases being expensed during the years of acquisition, no depreciation or amortization is utilized.
- 15 It is assumed that the Capital Expenditures continue at the historical level of approximately \$50,000/year.

Appendix 9 – Information on greening the Complex

Greening the International Peace Garden International Centre for Peace and Conflict Resolution

Initial Comments



Prepared for
Gaboury Préfontaine Perry architect.e.s

Prepared by
Centre for Indigenous Environmental Resources

April 13, 2004

This document was prepared by:

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The Centre for Indigenous Environmental Resources (CIER) is a national First Nation directed environmental organization based in Winnipeg, Manitoba. CIER offers education & training and research & consulting services in the following four topic areas: climate change, water, forestry and sustainability. CIER is a member of the Canada Green Building Council.

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Cover photo source: www.peacegarden.com

Greening the IPG International Centre for Peace and Conflict Resolution

INTRODUCTION

The purpose of this document is to communicate a collection of initial comments about the “greening” of the International Peace Garden International Centre for Peace and Conflict Resolution. The use of the term greening refers to developing the new facilities in a manner that limits the negative environmental impact of the buildings and ensures the long-term sustainability – both environmental and economic – of the Centre.

Emerging Global Conflicts

Local, national, international and global conflict takes many forms and has many causes. One cause of conflict throughout human history is the availability of and access to resources, such as water, energy and raw materials.

As a result of humanity’s expanding population, our demand for the earth’s resources, and the current inequitable distribution of these resources amongst the population, some commentators have indicated that we are heading for major global conflicts in this century over clean water, energy and raw material resources.

Clean Water

Millions of people around the world do not have access to a secure supply of clean potable water. In addition, according to many reports, some regions (including areas in the United States) that have had access to secure supplies of potable water may no longer in the near future. Global trade of fresh water has already been a source of conflict and will likely be so in the coming decades.

Energy

Hydrocarbons heat our buildings, run our factories, power our transportation vehicles, and provide the raw material for many products. There is a growing concern that the 21st century may mark the end of the hydrocarbon era. Like clean water, this too will lead to increasing conflict over energy and energy security.

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Other Resources

Leading thinkers on sustainability agree that humanity's ecological footprint is greater than what can be sustainably supported by the Earth. Resource depletion has been a source of conflict in many areas of the world (think about the tensions between Canada and Spain during the collapse of the Atlantic Cod Fishery) and will continue to be so as harvest rates for resources continue to exceed rates of replenishment. Not only will resource depletion be a source of conflict, so will conflict over equitable distribution as millions around the world work to raise their standard of living. The leading thinkers agree that if individuals in developing nations lived like individuals in developed nations we would need the resources of two more Earths.

Emerging Global Conflicts and IPG

If one source of global conflict is availability of and access to resources, and if this source of conflict is going to intensify in the coming years, how can the International Peace Garden position itself to be the location of choice to resolve resource-based conflicts?

According to the Concept/Vision Synopsis developed by Gaboury Préfontaine Perry architect.e.s, the International Centre for Peace and Conflict Resolution will be a place where people from around the world can come to engage in peaceful conflict resolution.

In terms of the peaceful resolution of emerging global resource conflicts, the IPG can play a dual role of (1) a facility where people can come to, and learn how to, resolve these conflicts, and (2) a facility where people can learn about the design and technological solutions required for the long-term and permanent resolution of these conflicts. In essence, by 'greening' the International Centre for Peace and Conflict Resolution, the IPG can not only provide facilities for the social approaches to resolving global conflicts over resources, but can provide physical spaces that demonstrate the technological approaches.

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GREENING AS A MODEL FOR RESOLVING RESOURCE CONFLICTS

To permanently resolve conflict over resources, humanity must develop more sustainable ways of using and allocating resources. When individuals come to the IPG to engage in resolving conflict over resources one thing they will eventually have to decide upon is how to make better use of and allocate resources. By greening the Centre it can become a model for the technological solutions needed to resolve resource conflicts. Visitors can see for themselves and learn how the Centre is doing its part for water, energy and resource sustainability, instead of contributing to conflicts over resources.

Initial comments on how to green the new facilities and contribute to the solution include ideas for how the buildings should use water, energy and other resources.

Clean Water

To protect and respect, and promote technological solutions to conflict over availability of clean water, the new facilities should:

1. Harvest and filter rainwater for non-potable uses;
2. Significantly reduce the use of water by using water saving devices in the buildings and minimizing water use for landscaping;
3. Use waterless and living machine technologies for the on-site management of wastewater; and
4. Manage stormwater on-site with green roofs and porous paving.

Energy

To respect the coming 21st Century energy reality, and promote technological solutions to sustainable energy generation and management, the new facilities should:

1. Be designed to significantly reduce energy requirements for heat and power.
2. Be designed to maximize natural daylighting and use the sun to passively heat the facilities in winter;
3. Use geothermal technologies to provide additional heating in the winter and provide cooling in the summer; and

Greening the IPG International Centre for Peace and Conflict Resolution

4. Use grid connected solar and wind technologies to power the facilities.

Other Resources

To respect the ability of the Earth to provide resources, and promote solutions for the sustainable use and management of materials, the new facilities should:

1. Be designed to the highest standards of aesthetic design AND sustainable use of materials;
2. Be designed with the use of local materials in mind – to limit the environmental impacts of transporting building materials to the site;
3. Use materials that are grown, harvested or extracted sustainably;
4. Use materials that are recycled, recyclable or biodegradable; and
5. Limit the use of synthetic materials.

Greening the IPG International Centre for Peace and Conflict Resolution

COMMENTS ON PROPOSED FACILITIES

This section applies the initial comments to the proposed new facilities.

International Centre for Peace

- Resolving conflict ideally requires a dialogue amongst multiple stakeholders. The design for the Centre may wish to include a dialogue space similar to the Morris J. Wosk Centre for Dialogue in Vancouver (www.sfu.ca/dialogue/)
- Minimize energy use by:
 - Using clearstories to provide natural light to all interior spaces such as the boardroom, lounge and communication room.
 - Moving storage to interior spaces.
 - Switching the location of the boardroom or lounge with the washrooms so the boardroom or lounge benefit from the southern exposure.
 - Using LED lighting and building-integrated photovoltaics
- Minimize water use by:
 - Capturing and filtering rainwater for non-potable uses in lavatories
 - Installing waterless or foam flush composting toilets in all public washrooms
 - Installing low-flow faucets in all public washrooms
- Manage wastewater by:
 - Treating greywater (from lavatories) with an on-site living machine
- Incorporate sustainable use of resources by:
 - Using wood in place of steel where possible
 - Using wood products from certified forests
 - Developing criteria for the selection of all other materials and furniture

Accommodation Centre

- Minimize energy use by:
 - Using clearstories to provide natural light to hallways
 - Using LED lighting
 - Using a solar hot water heating system
- Minimize water use by:
 - Capturing and filtering rainwater for non-potable uses in lavatories and showers
 - Installing waterless or foam flush composting toilets or dual-flush water toilets in all rooms
 - Installing low-flow faucets and aerating shower heads in all rooms

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- Manage wastewater by:
 - Treating greywater (from lavatories and showers) with an on-site living machine
- Incorporate sustainable use of resources by:
 - Developing criteria for the selection of all materials and furniture (for example, beds from wool instead of synthetic fibres and chemicals)

Interpretive Centre

- Minimize energy use by:
 - Moving storage and receiving from south end of building elsewhere
 - Moving the dining area to the south side of the building
 - Using clearstories in kitchen to provide staff with natural daylight
 - Heating and cooling the building with geothermal
 - Use electric appliances in kitchen instead of gas
 - Using LED lighting
 - Using solar hot water heating system
- Minimize water use by:
 - Capturing and filtering rainwater for non-potable uses in lavatories
 - Installing waterless or foam flush composting toilets
 - Installing low-flow faucets
- Manage wastewater by:
 - Treating greywater (from lavatories and showers) with an on-site living machine
- Incorporate sustainable use of resources by:
 - Developing criteria for the selection of all materials and furniture (for example, high quality biodegradable fabrics on chairs)
 - Provide facility to compost all food wastes (use in gardens)

Exterior Landscape

- Landscape with native/indigenous grasses and plants
- Use captured rainwater or water from living machine, combined with compost tea for irrigation

Golf Course

- Manage golf course organically to prevent synthetic chemicals from polluting groundwater.
- Install waterless composting toilets on greens and use compost tea to fertilize greens

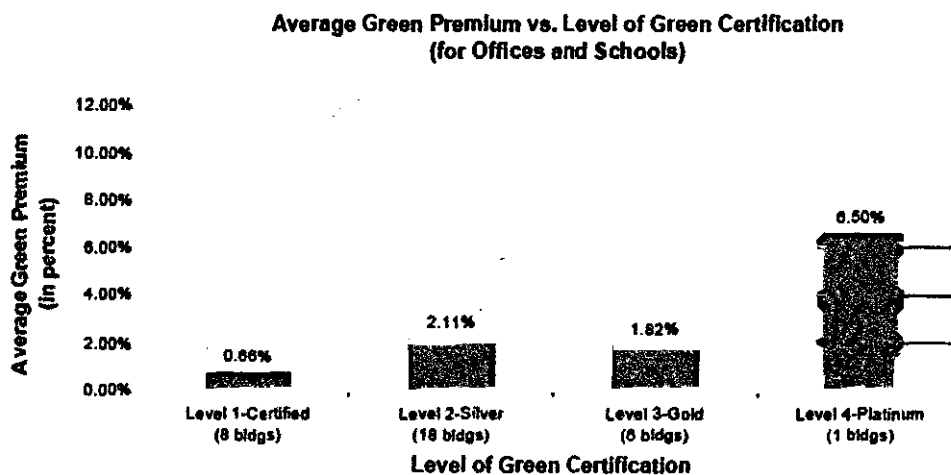
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ECONOMICS OF GREEN BUILDING

Capital Costs & Integrating the Design Process

The most recent research on the topic of the economics of green building is outlined in a report commissioned by California's Sustainable Building Task Force, published October 2003. The report, titled *The Costs and Financial Benefits of Green Buildings*¹, indicates that an up front premium for green buildings of 0-2% yields savings of over 10 times the initial investment during the life of the building.

The researchers examined the costs of 33 LEED™ buildings. LEED™ is the Leadership in Energy and Environmental Design green building rating system, developed by the U.S. Green Building Council (www.usgbc.org). LEED is a point system with four levels of certification. As the graph below shows, only Platinum level buildings have cost premiums well over the 2% premium.



Source: USGBC, *Capital E Analysis*

This research for California's Sustainable Building Task Force also reveals that using an integrated design process (IDP) is key to making green buildings economically cost competitive with their non-green counterparts.

¹ The full report is available at: www.cap-e.com/ewebeditpro/items/O59F3259.pdf

Greening the IPG International Centre for Peace and Conflict Resolution

Integrated design is a process whereby the designers, consultants, the builder and the owner sit down together to design the building, rather than a traditional linear design process. This conclusion about the economic benefits of integrated is supported by a special 2000 issue of the journal *Building Research and Information*, in which the editor writes: "the papers collectively echo, in a very specific way, the notion of "design integration" as the logical means of delivering higher performance buildings within current cost constraints."²

Operating Costs & Future Proofing the Building

Greening a building to (1) reduce energy use, (2) reduce water use, and (3) dematerialize and use durable long-lasting materials will cost less to operate.

In the world of green building design it is not uncommon for buildings to use 50% less energy than the Model National Energy Code for Buildings. Using less energy saves money. For example, if daylighting is a primary source of light in the building during the day, savings are realized from reduced energy usage, fewer light bulbs needing replacement and the longer life of lighting fixtures. These are all items that will reduce the annual energy costs of the building.

In terms of water, there are proven technologies in use all over North America that (a) save hundreds of thousands of litres of water annually, and (b) allow for all wastewater to be treated on-site without the need for connections to municipal systems, mechanical treatment, lagoons, or holding tanks. The savings from reduced water use and on-site treatment add up over time.

Dematerializing the building, meaning using fewer materials, saves money both up front and in the future. Environmentally and economically the best material or fixture in a building is a non-fixture, which never has to be replaced. Also, using durable materials, such as good quality floor coverings and millwork materials, and specifying furniture

² Cole, R.J. (2000). Editorial: Cost and Value In Building Green. *Building Research and Information*, 28 (5/6), 315-324.

Greening the IPG International Centre for Peace and Conflict Resolution

designed to wear well over time will help to realize future cost savings, thereby adding value to the organization.

Finally, greening a building today can help to future proof it from future operating cost increases. Every year resources become scarcer. Basic economics tells us that as a resource become scarce its price will increase. Therefore, the energy costs for buildings with conventional systems will continue to increase, whereas buildings that are designed to use much less energy and to generate their own energy will be insulated from these rising energy costs. Therefore, as referenced in the previous section on capital costs, spending a bit more up front will pay dividends in the long run.

FINAL THOUGHTS

There is conflict within us as human beings. We know what it takes to live on this planet sustainability and help ensure that basic needs can be met by future generations, yet many of our collective actions are charting an unsustainable course for humankind. Visiting the Centre should also provide people the opportunity to not only resolve social conflict and conflict over issues such as resources, but also conflict that individuals feel within themselves; conflict between actions in their daily lives and actions necessary for a higher personal and common good – one of which is care and respect for a planet that supports and sustains all life.

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www.clivusmultrum.com

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www.oceanarks.org

Dual-Flush Toilets
www.caromausa.com

Wool beds
www.nontoxic.com/beds/index.html

Canada Green Building Council
www.cagbc.org

Biodegradable Fabrics
www.climatex.com

Forest Certification
www.fsc.org

Green Roofs
www.greenroofs.org

Appendix 10 – Economic impact analysis

Economic impact of the Complex

The positive impacts of the Complex include many benefits that go far beyond just the economic impacts. As noted elsewhere, the fundamental justification for the Complex is based on the benefits of reduced conflicts, increased security, and improved world peace.

The following two sections estimate two different types of economic impacts, being the:

- One-time economic impact of the construction project; and
- Continuing annual economic impacts of the incremental increase in ongoing activities.

It is estimated that the expenditures will occur approximately 50% in the US and 50% in Canada. The economic impact estimates are only a guideline. They are based on broad industry averages and all the details of the future activities for the Complex are not yet fully documented.

The following section summarizes the construction project costs and estimates the breakdown between material (goods and services) and labour. This breakdown is needed to calculate the one-time impact of the construction project expenditures using the construction costs and appropriate economic multipliers.

Construction costs (Class D estimates) (Cdn\$)

International Centre for Peace	\$10,517,522	
Visitor Accommodation	\$ 8,464,701	
Interpretive Center	\$ 4,771,184	
Hall/Path of Peace	\$ 250,000	
Subtotal (Building)		\$24,003,407
Landscaping & Gardens	\$ 3,000,000	
Subtotal		\$27,003,407
Design & Soft costs	\$ 2,700,340	
Design contingency	\$ 1,080,136	
Construction contingency	\$ 1,620,204	
Total Construction Costs (excl. Endowment Fund)		\$32,404,087

Allocation of construction costs (Cdn\$)

Project Sector	Total	Goods & Services	Labour
Buildings	\$24,003,407	\$12,481,772	\$11,521,635
Landscaping	\$3,000,000	\$1,050,000	\$1,950,000
Soft costs	\$2,700,340	\$ 0	\$2,700,340
Design contingency	\$1,080,136	\$ 0	\$1,080,136
Construction contingency	\$1,620,204	\$ 842,506	\$ 777,698
Totals	\$32,404,087	\$14,374,278	\$18,029,809

Source: percentage allocation of goods and services versus labour were based on personal communications with Mr. Guy Préfontaine, of Gaboury, Préfontaine, Perry architect.e.s.

Estimated one-time economic impact of the construction project

The following table shows the economic multiplier factors that were provided by the Manitoba Bureau of Statistics²¹ and have been adjusted to reflect the economic impacts for all of the US and Canada.

Economic impact multiplier factors

<u>Commodity</u>	GDP at Factor Cost	Labour Income	Employment
Non-residential construction	0.813	0.632	16.0
Wage re-spending	0.446	0.271	9.3

The following section estimates the two types of economic impacts of the construction project expenditures.

Total impact on GDP at factor cost, for the US and Canada (Cdn\$)

The "total impact on GDG at factor cost" estimates the economic impact on gross domestic product (GDP) from the direct expenditures created by the project/business being analyzed.

\$14.374278 million x 0.813 = \$ 11.686 million (construction)

\$18.029809 million x 0.446 = \$ 8.041 million (direct labour spin-offs)

+ \$18.030 million (direct labour)

Total \$37.757 million

²¹ Manitoba Bureau of Statistics, *Manitoba Economic Multipliers 1998*, Table 1, 1988 Manitoba Commodity Intensity Ratios, pp. 22-23, Winnipeg, MB.

Total impact to employment for the US and Canada

4.374278 million x 16.0 = 230 person-years (construction)

\$18.029809 million x 9.3 = 168 person-years (direct labour spin-offs)

+ 300 person-years (direct labour) (@\$60,000/person year)

Total 698 person-years

In summary, the expected one-time economic impact, for the US and Canada, resulting from the construction project is estimated to be approximately (Cdn\$):

An increase in GDP for the US and Canada of \$37.75 million at factor cost; and

An increase in labour employment for the US and Canada of 698 person-years

Estimated ongoing economic impact of new activities

The following section shows the expected increase in incremental revenue resulting from the new programming and other activities that will occur after the construction project is completed. The estimated incremental revenues and expenses are estimated to be those that will occur in the 2nd year after completion of construction, thus representing the ongoing situation.

Incremental Revenue and Expenses ²² (Cdn\$)	Estimated Annual Increase ²³
Total	Cdn\$ 805,000

This estimate of revenues to the IPG does not include the revenues that will be generated by the organizations that will be renting facilities from the IPG and operating the programs and activities of the Complex. Thus, the total revenues will be much larger than shown in the table above. It is estimated that total revenues of the programs and activities of the Complex will be at least 5 times the estimate in the table above, based on analysis of the typical accommodations industry ratios. Thus, total revenues will be approximately Cdn\$4.0 million per year. Because all the organizations involved are not-for-profits, and expend all revenues over time, the economic impact analysis factors being used that are based on expenditures are appropriate.

No individual industry sector covers all of the activities that IPG will provide in the future. The table below shows four sectors that may each apply to a portion of the activities.

²² Includes visitor fees, retail revenue, food service, accommodations rental, building rentals, camping fees, and the Hall/Path of Peace.

²³ A comparison of the historical revenues and expenditures (in both US and Cdn \$) for 2003 (most current year) compared to the projections for the 2nd year after completion of construction supports this estimate. Also, was estimated by IPG management as the IPG revenues, not including revenues of agencies operating at the Centre, during previous research.

Economic impact multiplier factors²⁴

Industry Sector	GDP at Factor Cost	Employment
Business services	1.834	44.7
Education services	1.218	29.7
Accommodation & food services	1.514	46.5
Amusement & recreation services	2.956	62.1
Range	1.218 to 2.956	29.7 to 62.1
Average of 4 sectors	1.881	45.8

The following section calculates the ongoing economic impact of the increased level of new services.

Total impact to GDP at factor cost for the US and Canada (Cdn\$):

\$4.0 million x 1.218 = \$4.87 million

to

\$4.0 million x 2.956 = \$11.82 million

or,

Using the average for the 4 sectors

\$4.0 million x 1.881 = \$7.52 million

Total impact to employment for the US and Canada:

\$4.0 million x 29.7 = 119 person-years

to

\$4.0 million x 62.1 = 248 person-years

or,

Using the average for the 4 sectors

\$4.0 million x 45.8 = 183 person-years

In **summary**, the expected **ongoing economic impact** resulting from the increased level of activities at IPG is estimated to be approximately:

An increase in GDP of Cdn\$4.87 to Cdn\$11.82 million (average value Cdn\$7.52 million) at factor cost; and

²⁴ Manitoba Bureau of Statistics, *Manitoba Economic Multipliers 1998*, Table 2, 1988 Manitoba Commodity Intensity Ratios, pp. 24, Winnipeg, MB. adjusted to reflect all of the US and Canada based on Table 5, pp. 27-28.

An increase in labour employment of 119 to 248 (average value 183 person-years).

Summary of estimated economic impacts

The following table summarizes the estimated economic impacts of the construction project (one-time) and the impacts of the new activities (ongoing).

Estimated economic impacts for the US and Canada

Type of Economic Impact	Construction Project (One-Time)	Incremental Activities (Ongoing)
Canadian dollars		
Increased GDP	\$37.8 million	\$4.9 to \$11.8 million
Increased Employment	698 person-years	119 to 248 person-years
U.S. dollars (\$1 U.S. = \$1.333 Cdn.)		
Increased GDP	\$28.4 million	\$3.1 to \$7.4 million
Increased Employment	698 person-years	119 to 248 person-years

Building For Sustainability: Sustainability Matrix

Building Form

Energy, Pollution and External Cost to Society

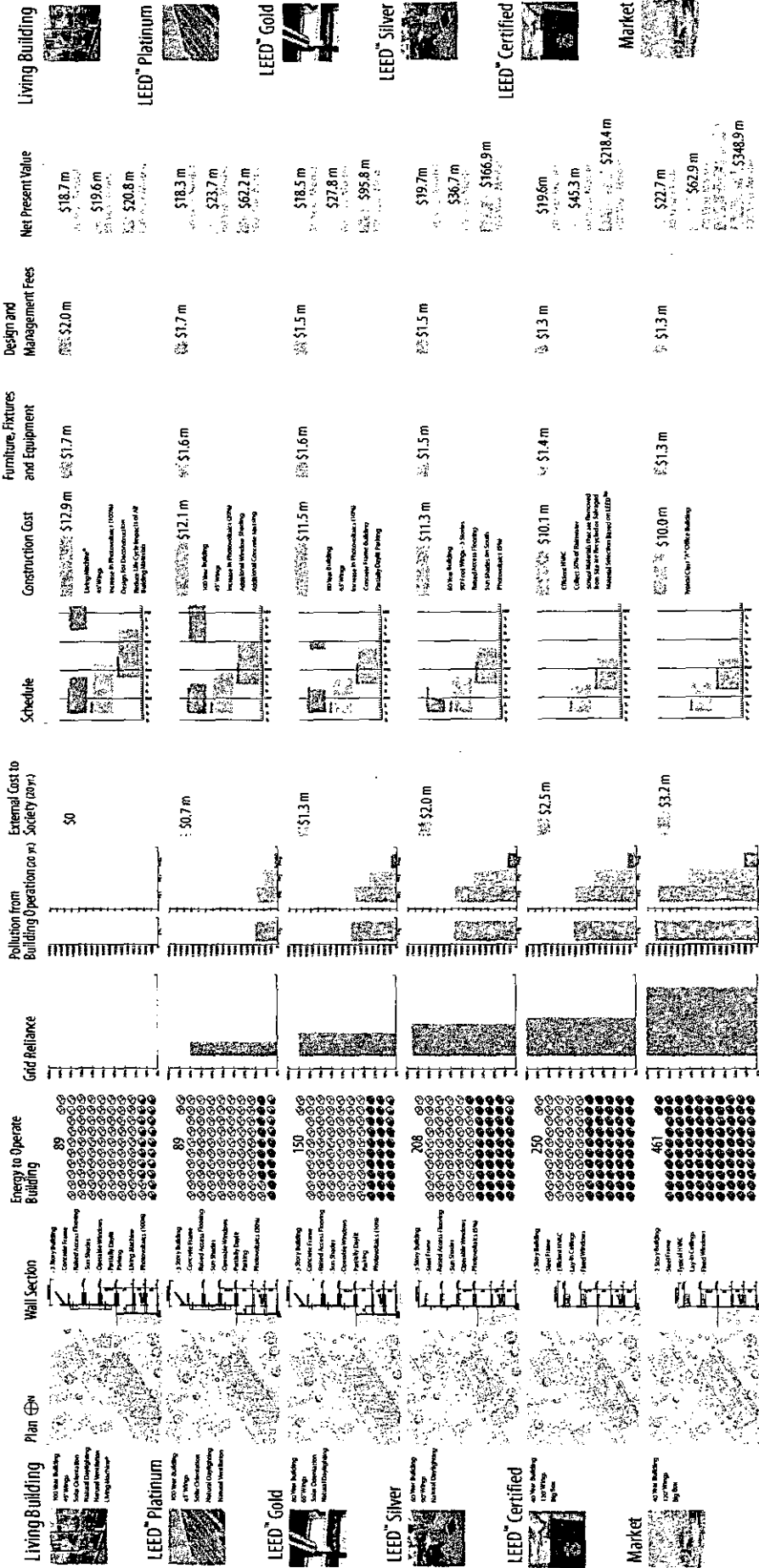
0 = U.S. Power Grid
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Schedules

All of these figures are based on cost estimates created for each conceptual building model. All costs shown have been adjusted from actual cost estimates to reflect a \$10 million Market Building as a baseline. The Net Present Value indicated represent 30-, 60- and 100-year cost models that are based on 5% cost of capital, 1-1/2% inflation rate and 5% annual increase in energy costs.

Short and Long Term Costs

All of these figures are based on cost estimates created for each conceptual building model. All costs shown have been adjusted from actual cost estimates to reflect a \$10 million Market Building as a baseline. The Net Present Value indicated represent 30-, 60- and 100-year cost models that are based on 5% cost of capital, 1-1/2% inflation rate and 5% annual increase in energy costs.



The David and Lucile Packard Foundation Los Altos Project