

**2013 HOUSE APPROPRIATIONS
HB 1019**

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
January 15, 2013
17239

Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; and to declare an emergency

Minutes:

Attachments # 1-5

Chairman Skarphol: Called the meeting to order on HB 1019 by calling the roll and announcing everyone present. Allan Knudson took a few minutes to explain the Executive Budget recommendation for salary increases for state employees and how that is related to performance standards. .

The Committee will open the hearing on HB 1019 Introduced was Mark Zimmerman, Director of the North Dakota Parks and Recreation Department (NDPRD).

01:26 to 08:06

Zimmerman: Began his testimony, see Attachment # 1 and using Power Point, Attachment # 2 to explain the 2011-2013 Revenue Review, marketing, Audit Findings, budget request.

Chairman Skarphol: How are you going to deal with the cash flow needs if you comply with that?

08:39 to

Zimmerman: The cash flow is at \$50,000. We will continue to have that amount in the fund to purchase goods. Continuing with Power Point NDPRD Quartile Distribution.

Chairman Skarphol: How does that compare with other agencies post Hay? Has this brought you to a more comparable position with other state agencies?

Zimmerman: We are looking at it long term.

Vice Chairman Monson: On your finding by the auditors, how are you going to meet the auditors request for daily receipts reporting?

Zimmerman: We have to go out to the sites and do reviews at the park for our administrative assistants and our seasonals.

Vice Chairman Monson: Spot checks?

Zimmerman: Hesitate to call it that but we will go into the park with a scheduled visit. The checks and balances are in place to watch those receipts.

13:01 to 17:13

Brad Pozarnsky, Field Director for NDPRD: Continuing with power point presentation, Attachment # 2.

17:46 to 25:11

Jesse Hanson, Manager of the Parks and Recreation Planning Division NDPRD: See Attachment.# 1 pp.4-6 and Power Point. Reviewing the Planning and Resources Division, Energy conservation grant, Planning and Natural Resources Division, Native and non-Native grass seeding, Capital budget, extraordinary repairs, Master plans and a summary of the capital and extraordinary repair budget.

Vice Chairman Monson: 900 acres of mineral ownership see p. 5. Is there revenue anticipated from this or is this new revenue?

Hanson: That is the balance of the funds left from the mineral base of \$1M, this money was designated to legislatively approved projects

Vice Chairman Monson: The amount on your last page is a little over \$1M for the dock.

Hanson: Those are one time projects.

Vice Chairman Monson: That is for purchase of the Marina slip docks, da da da, is that the Capitan Kits Marina?

Hanson: Money left over. We will devise an appraisal system that will provide a fair and equitable price that is fair to both parties. This budget is prepared for complete replacement of the docks if that does not work out. The docks are also for sale to the general public at this time.

Rep. Martinson: It is purchase of docks for Capitan Kits Marina, what is the asking price or the appraisal price.

Hanson: It is difficult to get an accurate appraisal. We are trying to buy only the docks, cables, the physical developments. Most of it under water.

Rep. Martinson: If the replacement cost is less than buying it, why would you buy it?

Hanson: When we can get an appraisal, it will be less than our budget for the full purchase price. We don't know what the true value is.

Rep. Martinson: You would be amenable to a statement that you would not pay more than the appraised value or what the replacement value would be.

Vice Chairman Monson: The intent for this, what benefit would do for your parks?

Hanson: The intent would be to get revenues from the slip rentals under concession services that can pay expenses. We would miss that if we rent it out

Chairman Skarphol: Do you have a business plan, do you have docks at this facility as well as Captain Kits

Hanson: All of the docks, gangways are owned by the private entities. We own two of the docks at Fort Stevenson and one at Lewis and Clark State Park. Explaining the proximity of the State Parks and the Marinas.

Chairman Skarphol: You leased for \$3.2M the 900 acres.

Hanson: The lease price was two separate leases and they range from \$200 to \$220 an acre.

Chairman Skarphol: Are they under production and do you have royalties coming in on a monthly basis?

Hanson: Roughly 400 acres has an oil well on it, it started operating in May of last year but may be the least producing well in North Dakota. There was about \$1600 in June, \$1400 in July and over \$900 in the fall. The remainder of the land is around Federal lands and oil companies tend to stay away. Another parcel is near Crow Flies High Monument has about 270 acres of mineral leases, surrounded by Corps land.

Chairman Skarphol: What is the length of the lease?

Hanson: It is five year lease.

36:43 to 41:28

Arik Spencer, Recreation Division Manager: Provided testimony, See Attachment # 1, pp. 6-8 describing grants and the outdoor recreation plan. There was a \$75,000 loss on Snowmobile trails during the mild winter last year.

Chairman Skarphol: The loss of \$75,000 was this a dollar for dollar offset for you?

Spenser: It was a dollar for dollar loss, we have fixed costs for maintenance of machines and insure the trails. We were able to save \$75,000.

Chairman Skarphol: Pools? Are those swimming pools?

Spenser: Yes. We have a onetime funding request in this biennium for a community outdoor recreation program, first funded in 2009 to offer matching grants to outdoor recreation providers. There will be an amendment to this budget line which will allow us carry over authority to the 2015-2017 biennium. This is needed because we offer this as a reimbursement grant and they have to be completed before we can reimburse. Continuing with testimony pp. 8-9.

Chairman Skarphol: In the buyout of \$4.3M Addressing Joe Morrissette, Office of Management and Budget Analyst.

Morrissette: The majority of that is federal funds. \$400,000 is state money proposed for the continuation of the grant.

Chairman Skarphol: In the funding sources it shows \$2.1M general funds, \$2.5M federal and \$1.3 special. Is some revenue from park activities? What portion of the \$1.3M goes into grants?

Morrissette: Most of that is for their salaries.

Chairman Skarphol: \$400,000, is that money that was not included in this biennium's budget but there was a similar line item in the budget last time?

Morrissette: In 2009 you appropriated \$400,000 for that program. The statutory authority had been in place before that but there was a \$400,000 with authority to carry unspent moneys over into the current biennium. \$200,000 and some was carried over into the current biennium. It was the reason for the amendment and it would give them authority to carry it out in this biennium.

Chairman Skarphol: That carried forward, \$200,000 and some, did we add to that? No, so that wasn't money they had available for grants in this biennium,

Morrissette: That was the money they had available for the community grant program.

Spenser: We obligate funds each year in the biennium. Even though they are obligated to programs, that won't get done until 2014. We need carry over authority to see a project to completion, see Attachment A.

Vice Chairman Monson: What goes on in this community grant program?

Spenser: It is a 50-50 matching grant program. The State Comprehensive Outdoor Recreation Plan (SCORP) provides funds for any outdoor recreation program. We use the data to look at projects and need.

Dana Scharr, Executive Director of the North Dakota Recreation and Park Association (NDRPA): Introducing Ron Meritt, a board member to provide testimony in support of HB 1019.

50:51 to 54:44

Ron Merritt, Member NDRPA and Director of the Minot Park District: Gave Testimony See Attachment # 4.

Chairman Skarphol: Addressing Spenser, did you have any requests beyond money available last time? Do you have any numbers from the previous biennium as far as requests?

Spenser: The requests exceed available funding. We had \$400,000 available, grant fund requests of \$1.7M. With what we were able to fund with local match was more than we were able to offer. The match was over \$1.6M indicating that communities demonstrate that they want to be equal partners in developing projects and improving outdoor recreation across North Dakota and so the \$400,000 is certainly needed to aid with large and small park districts.

Chairman Skarphol: How did you carry \$200,000 forward?

Spenser: We offer a grant round in each year of the biennium, the 2009 projects were mostly completed by the end of the biennium.

Chairman Skarphol: Grant money was used to complete projects that were requested in the previous biennium. You didn't have a chance to grant any monies in this biennium from any of the dollars that you had available.

57:45 to 1:05

Doug Hevenor, CEO International Peace Garden: Provided Testimony, See Attachment # 5. Because we are across the border we find that we are losing funding. We work on the International building code and we cannot get a building permit.

The Peace Towers are falling. We have had no federal funding. The \$4.4M would allow us to complete these projects. \$200,000 are requested for wage increases to keep employees. Key employees were lost to the Bakken.

Vice Chairman Monson: Do you keep the revenue from park entrance fees and use it as needed?

Chairman Skarphol: Are your employees state employees?

Hevenor: No, they are not. It is an extra incurred cost for the 3rd party liability.

Rep. Williams: Last session we put money into the cactus collection. .

Chairman Skarphol: How is that Cactus collection being expanded? You have increased the size of the facility and you have all of the collection moved in there, some 53 species of cacti that were known are in the collection. The attempt is to acquire the balance.

Hevenor: There are 56 species that occur on earth and we have 53 of them on display. It is a rectangle of 3,000 feet and there will be 7,000 feet of display space. Pieces are garnered from donations from nurseries in Manitoba. We hosted the national forestry and shelter belt system, 87 delegates were at the garden and we streamed it to over 1,200 participants nationally and internationally.

Chairman Skarphol: I appreciate your dilemma, are you charging enough for what you provide?

Hevenor: Before the entrance fee we had more visitors. Donations generated \$37,000 last year.

Chairman Skarphol: Hearing adjourned. Break to 10:30

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
February 11, 2013
Job 18729

Conference Committee

Kristi Hetzler

Explanation or reason for introduction of bill/resolution:

Parks and Recreation.

Minutes:

Chairman Skarpol: We have lots of one time on the green sheet here. The budget is not a significant change its \$521,000 increase in general fund however there is a \$5.5 million decrease, it removes the 2011/2013 capital assets funds and adds back in a lot of other smaller numbers to this budget. Master plan?

Rep Grande: I don't know if the dollar amount was worth it, usually master plans are always changing, you have several individuals plans pieced together to make a master plan.

Chairman Skarpol: Was there any reference if any to what this master plan was going to provide. Do we want them to come back and walk through these expenditures?

Rep Streyle: On number 11 is it asking to add to their base budget?

Becky: That is my understanding because it is a base adjustment so it will stay in there.

Chairman Skarpol: Both the \$450 and \$875 would be added?

Becky: Correct.

Chairman Skarpol: So it would become part of the operating line?

Becky: Which ever it was added to, it will be in there forever and ever.

Rep Streyle: I don't think that is appropriate.

Chairman Skarpol: Last time we funded equipment and I understood that was a one-time thing, was it not Becky?

Becky: They increase the base budget and then they will also do the one times. I am not sure what their base budget is up to right now.

Chairman Skarpol: In item 4 above, one time funding for extraordinary repairs at various State Parks and other funds 182,800 is that park fees that they have collected that are utilized for those specific parks?

Becky: I would guess that is what it is.

Chairman Skarpol: So what they are asking for is a general fund appropriation on an ongoing basis of 875,000 plus.

Rep Grande: Handout from a Brad Bozarnsky, he goes into a parks operations budget request and he asks for various equipment, where are those in the budget, will they use that in number 11?

Becky: They have that listed as equipment over \$5,000 so that would be included in probably number 5 on the green sheet.

Chairman Skarpol: Let's move on, we need more details from them on this.

2013 HOUSE STANDING COMMITTEE MINUTES

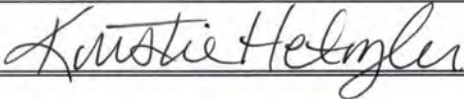
House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019

February 14, 2013

Job 18958

Conference Committee



Explanation or reason for introduction of bill/resolution:

Parks and Recreation Department.

Minutes:



Chairman Skarpol: Opens discussion on HB 1019. Let's discuss purchasing docks.

Rep Martinson: What kind of impact will this have if there is no funding is approved?

Mark Zimmerman, Parks and Rec: Explanation (3:13).

Chairman Skarpol: Why should the State own them?

Mark: State verses private explanation.

Chairman Skarpol: Why should we as a state operate a business that is not profitable?

Mark: The Business Model, in the long term is can be profitable, Fort Stevens is a good example. (5:15)

Rep Martinson: Didn't the federal government pay for Lake Sakakawea:

Mark: They paid to construct the marina, not the docks or the electrical service.

Rep Martinson: How much did the federal government pay.

Jesse: For the construction is was about 11 million dollars.

Rep Martinson: (6:30) Do you have a business plan showing that it would at least break even?

Mark: We used the services from ND Small Business Development.

Rep Dosch: At what price is that based on (7:52)?

Mark: It was about 450,000,.we have also requested a second appraisal (10:00).

Rep Martinson: What is the name of the other marina up there?

Mark: BayPoint, it is on property leased by our department from the core of engineers.

Rep Martinson: That individual approached us and has said that they would like to sell if we decide to buy. How would that fit into the mix?

Mark: That should be considered that development came out in the 1990 due to bad relations with the other. (13:13)

Chairman Skarpol: If you were to buy this, what kind of vision do you have, for instance, with employees?

Mark: We have a full time ranger and full time operating manager; the rest would be and currently are seasonal workers.

Chairman Skarpol: Let's discuss Fort Lincoln? What do you own and how do you anticipate operating without that partner being in place?

Mark: (14:36) Explanation of furnishings and their agreement. The attorneys are currently reviewing a contract, also discussed a trust fund and the agreement.

Chairman Skarpol: What is the operational cost associated with this?

Mark: We have hired a seasonal employee, as a seasonal employee it comes from our revenue account.

Chairman Skarpol: You don't anticipate any more money that will be required from the State in regards to that change in operations?

Mark: Some additions to buy some equipment, painting a building or two. Our list indicates about \$94,000 would help us.

Rep Dosch: Is there an analysis, in regards to park and entrance fees, and revenue verses expense?

Mark: Revenues at Fort Abraham Lincoln within the last 6 months of the biennium \$494,000 at 82% of our goal. (22:10)

Chairman Skarpol: Let's run through the green sheet. Why should we spend a \$100,000 on a strategic master plan?

Mark: There are many ways that we could improve revenues with the parks. We are seeing change in our demographics across our system. We have been doing it the same way for 50 years and we need to change with the times. We need it to be more efficient.

Chairman Skarpol: Who are you going utilize?

Mark: A third party to help with the master plan.

Chairman Skarpol: How much was it to hire a 3rd party?

Jesse: \$24,000.

Rep Streyle: In that master plan, is there any talk of selling some of the unused land?

Mark: Not sure we would want to sell any State land, and if we did the land that is not utilized would have to be accessed by going through the park. (25:14)

Monson: Do you own the boy scout camp plus the park?

Mark: Yes we purchased the scout camp in 1994 (25:40)

Monson: Do the boy scouts still have their camp there now?

Mark: They use the camp and so do a number of other groups but the state does own that property. Within that land a church owns a small portion of it privately.

Monson: Do you still own the 4H?

Jesse: Yes, that would be the dorms and the kitchen building and that is part of the original state park.

Monson: Who operates or utilizes this?

Mark: We operate that, we utilize those dorms for family reunions, church groups

Rep Streyle: In the strategic master plan do you completely rule out selling of land.

Mark: We would not absolutely rule is out however the access to that property is directly through the State parks, people like the security of the State Park that is one of the reasons they choose it? I would have a concern selling land where the only access was through our property to get there. (28:15)

Monson: I somewhat agree with Rep Streyle.

Mark: Most of the parks we have are not that large in acreage, the bigger ones we lease from the core of engineers.

Chairman Skarpol. Let's close and revisit on Friday around 10:30 about the budget.

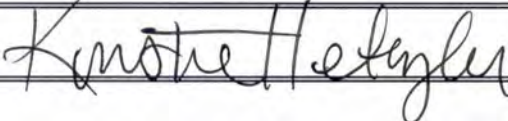
Rep Dosch: Please provide details for all the changes on the green sheet, in print if possible.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
February 15, 2013
Job 19066

Conference Committee



Explanation or reason for introduction of bill/resolution:

Parks and Recreation

Minutes:

Attachment 1,2,3,4,5,6

Chairman Skarphol: Opens HB 1019, reviews handout.

Mr. Mark Zimmerman Director of Parks and Rec: I did not have this document when we were prepping our budget; the budget submission was for \$800,000

Chairman Skarphol: Funding sources?

Mark: The funding sources was \$400,000 general fund and \$400,000 other park revenue funds.

Chairman Skarphol: Those revenue funds are available?

Mark: Yes we do. Keep in mind that the marina is an expected service with the park. (3:08)

Chairman Skarphol: For comparative purposes is there a similar price tween Ft. Stevens and this facility, is one less than the other?

Mark: Ft. Stevens is higher than at Lake Sakakawea

Rep Streyle: When is this lease up?

Mark: February 28, 2013

Rep Streyle: Has there been any other interest expressed other than that State for purchasing this?

Mark: I do know Kit has worked to sell to private individuals; it has not been successful yet. We have in past extended the lease, I am not aware of any other parties interested.

Chairman Skarphol: Would you be willing to extend the lease to market the facility?

Mark: I would be willing to enter into that discussion, my concern is the next cycle of the legislative session, it is in the executive budget and the agreement with the Governor's office was to allow this purchase to go forward (6:19)

Rep Dosch: Are the current lease payments up to date? 7:00

Mark: They are not, our agreement with Mr. Hettinger was for a couple of years to wait and see if this purchase goes through. There are a couple years lease payments outstanding from Kit.

Rep Streyle: With that being said and Feb 28, even if this is passed you cannot expend until July 1 unless there is an emergency clause. The lease is going to be up no matter which way we do it.

Mark: In our budget there is an amendment that we for emergency declaration provision for parts of the budget, but also in our visits with Kit that if the purchase was to go through we would certainly work with Kit throughout the summer of 2013 just to have his expertise to help with the transition (8:22)

Rep Streyle: What is the total dollar amount of back lease?

Mark: I think it is a little under \$15,000.

Rep Martinson: Is that just partial or the whole season?

Mark: The lease payment is 2% of the sales or the money revenue. There are more back payments owed that we are working out with Kit. I would state that my opinion that I believe this is a profitable business; we have a business model that indicates this.

Rep Martinson: Why have you not been paid your rent?

Mark: I don't know why, I stepped into this; those were agreements that were made prior to me being on board.

Rep Martinson: If we did this, would you make adjustments to your slip rental rates?

Mark: Yes and we would also adjust others based on the size of the slips.

Rep Martinson: If the rates went up do the renters have other options, would they go elsewhere?

Mark: At that end of the lake there are other marinas at Hazen and Beulah Bay however keep in mind not all of the facilities are like lake Sakakawea (15:15)

Rep Martinson: The amount of money the Governor put in here was for the purchase of used docks?

Mark: Our budget request at \$800,000 would be to put in new docks and continue to explain (17:15)

Rep Martinson: If your intention is not to pay that much money why would we authorize that amount?

Mark: When we had to submit our budget, we were in negotiations with Kit, at that time we were not even close on a purchase price. We wanted a figure for the budget submission and we put in the highest price for new docks. We are not opposed at looking at a lower amount.

Rep Streyle: We have a new dock estimate for 1 million dollars, we got \$800,000 in the budget, an appraised value of 400 and some. I don't know why we would pay for anything over the appraised value.

Rep Dosch: I move to reduce the amount authorized by \$350,000.

Rep Monson: Second.

6-1-1

Discussion:

Joe: For clarification, the original recommendation was split general and special funds, this reduction, would that also be split?

Chairman Skarphol: Stay with half and half.

Eric Spencer, Parks and Recreation: I do have a breakdown for the all the different smaller communities.

Joe: We did ask that if you approve this that there would be an amendment that would give them the authority to carry any unexpended money over that program.

Dosch: What was the amount last year of the grants line?

Eric: The last time this was funded was the 2009/2011 biennium, not last biennium? It was 700,000 and 400,00 was approved at the end of the session.

Rep Dosch: And out of that how much was given out

Eric: All of it.

Rep Dosch: Why do you need carry over language if it was all used?

Eric: Explanation (24:55)

Rep Dosch: Mark, who determines who gets these grant dollars, is that within your office?

Eric: Every 5 years we develop a state wide comprehensive outdoor recreation plan, that sets priorities and we also set criteria for where the need it.

Rep Dosch: These are all matching grants?

Eric: Correct, they are all matched 50% locally.

Rep Streyle: I think this is a good thing in their line budget, some put over and above the 50% match in.

Rep Dosch: Could we see the detail on the 800,000?

Mark: Yes, we will distribute (27:00)

Jesse: The funding source is from park revenues.

Chairman Skarphol: How old are your groomers now?

Jesse: 30 years old and they were even bought used.

Chairman Skarphol: What about the crack seal machine?

Jesse: That item is pretty crucial, and it would be moved around. We have not had one in the past, this would be new for us.

Chairman Skarphol: The revenue stream is the park revenues?

Jesse: That is correct.

Rep Monson: For \$30,000 it can't be much of a machine, are park employees capable of operating this?

Jesse: These are specialized and smaller, they are pulled behind a vehicle, it is not like the large ones that the DOT use.

Rep Dosch: What is the average summer seasonal help wage?

Mark: This would bring us up to about \$10 per hour; it varies in the different parks.

Chairman Skarphol: What trails are including in this?

Jesse: Most of these are the summer time trails.

Chairman Skarphol: Contract it out or state employees?

Jesse: We have not decided yet, we are looking at both options.

Rep Monson: When you increase these numbers of trails do you see revenue in return?

Jesse: Not the summer trails; it does attract more visitors (34:06).

Chairman Skarphol: What does long time refer to?

Mark: We have long term (15-20 year) full time temps.

Chairman Skarphol: You have 4 full time temps and then all the other temps?

Mark: Correct.

Joe: The agency did request in their budget asked for 3 FTE to address that issue and only one of those was included in the executive budget.

Chairman Skarphol: We will come back to this one. Let's look at number 9.

Mark: The international Peace Garden director has not communicated with our dept. to what his needs are.

Chairman Skarphol: Is that strictly a pass through? And wasn't there something about concrete falling off the tower and endangering public.

Mark: That is correct, and I do think something like that was in his testimony that would be in the binders. (38:03)

Chairman Skarphol: All the other categories that show other funds, are they all fees?

Mark: Correct, park revenue, our department does have oil revenue and that is consider that other funds.

Chairman Skarphol: Do we know the dollar amount on oil revenue?

Joe: Not sure but I can find out. (30:50)

Chairman Skarphol: Moving forward to item 11 on the green sheet.

Rep Monson: That 1.325 has been in the base so it is not a change?

Joe: Correct. (42:45) I will provide the list to Rep Dosch since he is carrying this bill.

Chairman Skarphol: Should we be adopting some type of language that gives some direction to the utilization (44:33).

Rep Streyle: I agree we need the language if this explodes.

Joe: We made that effort in the budget to not use those funds for reoccurring expenditures that is why things like item number 3.

Rep Streyle: Wouldn't it make more sense to itemize that out in the budget so one knows.

Chairman Skarphol: Should we have counsel to draft an amendment to OMB that would require that OMB adopts language in regards to direction of oil royalties by state agencies must be limited to non-reoccurring expenditures unless otherwise approved by legislature.

Rep Dosch: Wouldn't we have to appropriate those dollars out?

Chairman Skarphol: I think it should be pointed out to on any budget about oil royalties.

Discussion on Game and Fish:

Joe: Ongoing program that we have had (47:40)

Rep Dosch: Moving it to Buck Stop Junction

Mark: It is not a park entity, it is owned by the county.

Chairman Skarphol: Gaining ownership of all of the memorabilia out at Fort Lincoln, there is a concern if all of it should be owned by Parks and Rec or the State Historical Society.

Mark: A number of items on display are on loan from the State Historical Society collections, we would continue working with them. (52:45)

Joe?: I believe the majority of the contents that would be transferred from the Fort Abraham Lincoln Foundation to the ND Parks and Rec are reproductions or its they bought from time periods. (54:00)

Chairman Skarphol: Committee make note that the concern of the historical prospective must be maintained in the artifacts and should be considered owned by the State Historic Society and up to you to negotiate what the proper distribution is.

Rep Boe: I believe they were concerned that it remain a commitment of preserving the history and make it a learning destination.

Rep Dosch: Can we go back to number 3 on the green sheet (56:00).

Joe: Provides an overview on items on budget (1:00)

Rep Dosch: Item number 10, does that connect with number 12 on the green sheets?

Joe: There was just an error when the budget was submitted, I had to make that correction in the executive budget to reduce their federal fund authority because it got added, just an error. Line 12 is the budget to remove the capital project authority they have in the current biennium and that is being replaced by item 3 on the green sheet.

Rep Monson: I would like Kathy Stremick, Economic Development Director to come up.

Kathy Stremick, Economic Development Director: Here to discuss The Pembina River Gorge, ecotourism. See attachment 5 (ended 1:07:34)

Chairman Skarphol: What exactly do you have in mind?

Kathy: If ND Park and Rec were able to acquire Frost Fire Mountain, we see it as an interpreter center for the whole Pembina Gorge and that would be headquarters for tourism development?

Chairman Skarphol: What do you want from us?

Kathy: I want the State of ND to appropriate the funds to buy Frost Fire Mountain and to be managed by ND Park and Rec.

Chairman Skarphol: For how much?

Kathy: 2.8 million dollars.

Chairman Skarphol: Why should the State own it?

Kathy: To make sure it stays in its natural state.

Chairman Skarphol: How much willingness to do you from the locals to participate in the purchase.

Kathy: We have not discussed the dollar amount with the counties.

Rep Dosch: It is difficult for the State to purchase anything beyond its appraised value, is the surrounding regions willing to make up the difference.

Kathy: I do believe the counties and the communities will step forward.

Chairman Skarphol: Closes.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
February 18, 2013
19139

Conference Committee

Jocelyn Gallagher

Explanation or reason for introduction of bill/resolution:

Parks and Recreation Department

Minutes:

Handout 1

Brady Larson, LC: Spoke about the marina.

Chairman Skarphol: We acted on a motion to reduce it to 450. We did not take any action on language with regard to the purchase or appraisal. I don't recall we made a motion that we passed on that, we talked about.

Rep. Streyle: (0:37) Gave his explanation of why he has a change of heart. I think the government is putting undo pressure on him because he has no other option.

Discussion follows about the marina and leasing. (3:41)

Rep. Dosch: (5:03) what was his original business plan with his original lease?

Rep. Boe: (6:09) Maybe we should be leasing it back from him? I don't know if we really want to be in any more business.

Chairman Skarphol: Further discussion? (6:54) Discussion on boat dock lease continues.

Chairman Skarphol: (8:45) we did have some discussion about budget aspects of this and we didn't take any action based on what Brady said with regard to changes in dollars.

Rep. Boe: Was there the Lawrence Welk amendment, did we do that?

Chairman Skarphol: No, we talked about it and possibility of moving the facility here.

Joe Morrissette, OMB: There is the one amendment that I had distributed that the department asked for regarding the authority to carry over grant funds.

Chairman Skarphol: (10:24) that's 400,000 dollars for community grants program?

Rep. Dosch: I move we accept that.

Chairman Skarphol: We have a motion to amend what was distributed by Mr. Morrisette, it says up to 400,000 dollars of the recreational line item contained this bill may be carried forward; the unexpended funds may be carried forward to the next biennium. Second by Rep. Martinson, voice vote, motion carried.

Rep. Monson: (11:40) Went over notes about mineral ownership. Discussion follows.

Chairman Skarphol: The revenue that may come from those minerals if they were to be increased development, money has to go into a fund and be appropriated, right?

Joe Morrisette: Correct.

Rep. Monson: (13:32) About Fort Abraham Lincoln seasonal stuff.

Rep. Dosch: They would have those funds out of their normal operating budget with anticipated revenue coming in to offset those expenses.

Rep. Monson: I had the amendment 0.1001, Frost Fire. If we do this, my intention is we make sure we add language to this saying no purchase can be over the appraised value and I think it would be wise to require some local match.

Rep. Monson: I move 0.1001 with the change or addition of language that says that the purchase price of any land or buildings cannot be more than the appraised value and that it would require a match of 1/3 local, 2/3 state.

Chairman Skarphol: We have a motion, second by Rep. Martinson.

Discussion (16:11) on the motion and the amounts of local funds versus state funds.

Rep. Streyle: If you do the 2/3, 1/3, 2.8 that would really push it over 3 million, 3.5

Rep. Monson: (21:26) the intent would be the 2.8 is the maximum amount of the whole project, the purchase and development. If less than that it doesn't get spent.

Rep. Streyle: The state share would be rounded up, 1.9 million. I still don't see why we need to appropriate that amount of money.

Rep. Monson: My proposed language would be 1/3 local match then it would be special funds. So the total amount of money from the state would be down to 1.9 roughly.

Rep. Streyle: (23:23) Discussion continues.

Rep. Monson: You would still put in the special funds, correct?

Brady Larson: We can put in the special funds authority in the event the Parks and Rec Dept. receives the money from the locals and then expends it.

Chairman Skarphol: So your amendment would remain the same, 1/3, 2/3 match, not to exceed appraised value.

Brady Larson: As part of that amendment then the general fund portion would be reduced to about 1.86 million dollars and then special fund authority added to get up to the 2.8 million dollar total. So it would be 2/3 general fund, 1/3 local.

Chairman Skarphol: Are we going to require local match be in place before the state expends their dollars.

Rep. Monson: That is very prudent business and it should be in cash, not in kind if you would like.

Rep. Streyle: Putting this number out there pretty much guarantees what they will demand because they know it is in line item.

Chairman Skarphol: If you can't exceed an appraised value doesn't that limit it?

Rep. Streyle: We already had an appraisal, I thought.

Rep. Monson: They are working on a second appraisal.

Rep. Dosch: (26:30) Discussion continues. Can it be part of the amendment that there must be a business plan showing a break even on this?

Rep. Monson: The hope of the people that have this Frostfire is that they get an appraised value of 2.5 million. Parks and Rec. felt they needed 300,000 in order to come up with a business plan.

Chairman Skarphol: If the appraised value stays at 1.2, the cost of the state could be conceivably 1.1 with 400,000 from local. Any further discussion? The clerk will take the roll. 8-0-0. Brady, state how you perceive the amendment to be drafted, just this last one.

Brady Larson: There was a total of 2.8 million dollars appropriated. Of that amount 1.866 million dollars is from the general fund and the remainder is from local funds. That is a 2/3 general fund to 1/3 local match requirement. A purchase cannot be made over the appraised value and the local match must be in cash and not in in-kind equivalent before the state expenditures. And for the language for the local part to be in place we will put together some language so it doesn't require the entire 900,000 but instead just the portion that's expected for the project. That way if the appraised value does come lower you're still not requiring the entire 900,000 dollars to be in place. It would be the adequate portion.

Rep. Streyle: (32:51) shared other ideas on this budget. What about earmarking 20% of all new wells to the community grant fund?

Rep. Dosch: Would like Rep. Streyle to explain why he would like to see that.

Rep. Streyle: Make explanation. (34:00)

Chairman Skarphol: (34:31) it's almost as if those types of things become sacred once we do them. Discussion follows on oil revenues.

Chairman Skarphol: Any additional thoughts with regard to the 20% of new oil well royalties.

Rep. Streyle: Yes, 20% to the community grant program. Not sure 20% the right number, but 80% would still go to whatever one-time projects they wanted.

Chairman Skarphol: Is that a motion Rep. Streyle?

Rep. Streyle: I move that 15% of any new oil revenue go to the community grant program and the rest has to go to capital improvement projects, one-time funding.

Rep. Monson: Second.

Joe Morrissette: For clarification, that would be saying it can only be used for one-time things not strictly capital. In their budget the recommendation would include some that might be used for one-time equipment. I just want to make sure that it wasn't worded as capital; otherwise it would be in conflict with the budget as it sits now.

Rep. Streyle: Yes, one-time funding.

Chairman Skarphol: Any discussion on the motion of 15% of new oil wells. 8-0-0, motion passes.

Chairman Skarphol: Brady, we have all the amendments covered. Do we have a motion on the Parks and Rec. budget, HB 1019, a do pass as amended. Rep. Dosch moves, Rep. Monson second. Clerk takes the roll, 8-0-0.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1019
2/22/13
Job 19395

Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; and to declare an emergency.

Minutes:

Attachment 1

Rep. Dosch: Made motion to adopt amendment 13.8148.01002.

Rep. Skarphol: Seconded the motion.

1:45 **Rep. Dosch:** Explained amendment 13.8148.01002.

3:20 **Chairman Delzer:** It looks under 1019, your top ones, you added \$2,450,000 to the governor's recommendation in all funds. The general fund addition is \$1,600,000. Go down to the bottom on 750, and go across that, you've got your executive compensation. And then what we did with the current lines, and then it looks like you added \$2.8 million to purchase some, operate Walhalla Gorge. What's that about?

4:08 **Rep. Dosch:** The Pembina Gorge is for sale; it is currently owned by a private individual. They want \$2.8 million for that. The appraised value is about \$1.3 million. We increased the general fund dollars to purchase that at the specified level. If they are unable to raise the other dollars to fund that, it will go by the wayside. Parks & Rec did have an interest in operating the entity up there. The committee agreed that perhaps would be a good addition if it could be acquired for that price.

Chairman Delzer: What price did you say? The \$1.3 million it appraised for? Certainly we're not going to pay more than appraised value, I would hope.

Rep. Dosch: No, Mr. Chairman. I defer that to Rep. Monson.

5:40 **Chairman Delzer:** Has this been a standalone bill, hear anywhere else?

Rep. Monson: No, it wasn't. I apologize about the late amendment; I had been approached a while before by the owners, and I wasn't going to put in a bill or amendment. When I got

down here for the session, I did some more exploring with the director of Parks and Rec, and when he said he was interested in this and that they have a need for it.... I'm going to go through some of the things this is about. I did put in an amendment. The Parks and Rec director is very willing to tackle this is the opportunity arises. Parks and Rec would not do this without a plan in place. Of the money in here, \$300,000 is for the planning and all the things that would be needed before it got out of the chute. Parks and Rec would definitely not run it but would consign it out if they were to purchase it. Parks and Rec, Game and Fish, and possibly the state forester would be able to use this facility. Right now, the state forester is located in Walhalla. The state forestry owns an old house, and the only entity that uses that is the state forester and to some extent the Parks and Rec people responsible for doing the trails. Gave additional information about various trails in the area put in by Parks and Rec. If there is an emergency on the trail or if there are violators on the trails, it is usually too late by the time Parks and Rec staff arrives because they are too far away. That is one of the reasons they are interested. I talked with the director of Game and Fish, and he said that if we had a facility they could use, their game wardens would be very interested in some of the available space. We put in a lot of provisions to make sure that this will not happen until the cash is raised locally. Under no circumstances can more be paid for this than the appraised value, which is approximately \$1.2 million. The Johnsons, the owners, said they will not sell for that; they want \$2.5 million. They are working on getting another appraised, but at this point the value of the property is appraised at \$1. __ million (audio unclear) and if this were to go forward without a different appraisal, this would never happen. The chance that this purchase will ever happen is slim to remote. Rep. Streyle indicated that the possibility of the doubling of an appraised value on a second opinion is not very likely. This is a regional or even state-wide issue because the trails are used by people from all over eastern North Dakota. It's an issue of the wardens and the patrolling authority to do their job better and more safely.

11:10 **Chairman Delzer:** Did you put any time certain that it needs to be done by?

Rep. Monson: I did not, and I would not be opposed to that.

Chairman Delzer: I don't think I can support it in any way, but if it did go forward, I hope we put a time certain when this goes away. You say they have to have the local money first, but then you are giving general fund money for the full appraised value. Why is that? What are you expecting them to do with the local funding?

Rep. Monson: The local people would be responsible for one third of it. So if the appraised value is \$1.2 million, \$800,000 would be the state's share, and \$400,000 would be the local share. If it were to go to \$2.5 million, for instance, you'd be looking at 1.67 from the state and 830,000 in other funds.

Chairman Delzer: So this 1.67 that you put in here and the 830 would be to take it all the way to 2.4 so that....

Rep. Monson: That's right.

Chairman Delzer: Questions on that section? Section 6.

13:10 **Rep. Dosch** resumed discussion of amendment with explanation of Section 6.

14:22 **Chairman Delzer:** Is there a continuing appropriation on the oil related-revenue?

Rep. Skarphol: We do have to appropriate it. The community grants program distributes money out to communities, to various local and county parks across the state. They had a \$400,000 appropriation last time. I don't think we put anything it because it had money that was carried forward. Section 5 was included to give them that carry forward authority. The committee felt that 15% of any oil-related revenue would alleviate us having to put money in periodically.

Chairman Delzer: Why did they end up having \$400,000 carried over out of that?

Rep. Skarphol: It was not that they had the much to carry forward. They had about half of that carried forward last time. We did not put anything additional into it last time. Because there is \$400,000 in it this time, the language has always previously reflected that. It was overlooked in the bill itself for this session. We added this section because it has always previously been in the bill.

Chairman Delzer: So this is the \$400,000 that is up above in the budget, and you're giving them authority for the next session to spend that, whether or not they spend that during the interim or after next legislative session.

Rep. Skarphol: They'd be able to carry it forward and utilize it as they saw fit.

Rep. Dosch. That about does if for the amendments, other than the normal state salary adjustment packages and those sorts.

16:38 **Chairman Delzer:** Did you make any other changes on the green sheet items or any of the items the governor had in there?

Rep. Dosch: Yes. If you'd like, we can go through the green sheets now.

Chairman Delzer: Let's go through the green sheets. All your changes are on the amendment, too, right?

Rep. Glassheim: Back to the Frostfire discussion. I see that there is no anticipated income. If the thing were to happen, would all the income be taken by the people they get to run it, or would there be any potential income for the state?

Rep. Monson: We never got into those discussions because it would be treated in the same fashion as when the state consigns out the boat docks. I don't know that it will happen.

Chairman Delzer: Most that I am aware of have to have estimated income. But I would guess that must be up here in the less estimated income line.

Rep. Kempenich: On the same subject, obviously he just got into the land purchase, not the business side of the coin. That's where some of the blue sky you're talking about between the facility and the business.

Rep. Skarphol: I believe park fees are an ongoing appropriation.

Joe Morrisette, OMB: They are not. They would go into their park's fund and have to be appropriated each biennium just like the oil revenue you mentioned earlier.

Chairman Delzer: Where do they get appropriated in the other lines up there?

Joe Morrisette: As part of their other income in the bill.

Chairman Delzer: The less estimated income. That is appropriation of that income line.

Chairman Delzer: Committee will stand in recess for lunch.

20:41 **Chairman Delzer:** Called the committee back to order.

Rep. Glassheim: Presented attachment 1 related to state employee compensation growth scenarios. It is for informational purposes.

24:27 **Chairman Delzer:** We'll resume 1019. We were going through the green sheet.

24:41 **Rep. Dosch:** Continued to go through the green sheet.

27:57 **Chairman Delzer:** Did you ask how many other places? Gave examples. Are there others? Are there any in Oahe?

Rep. Dosch: No others that I'm aware of in Oahe; no others than just those that you mentioned. Resumed going through green sheet.

31:23 **Chairman Delzer:** Did you ask how much the amount for the International Peace Gardens increased last time?

Rep. Skarphol: That's actually down from last time. Last time we did the building.

Chairman Delzer: We did a bunch on cactus last time. Did you ask about just the operational side, not the total grant?

Rep. Skarphol: I don't know.

31:55 **Rep. Dosch:** Resumed review of green sheet, starting with number 10.

34:30 **Chairman Delzer:** Joe, you had some answers for us?

Joe Morrisette: The operations grant on the Peace Garden was increased about \$40,000 in the last biennium.

Rep. Skarphol: We have all seen pictures of the towers. Those towers have aged and are now dangerous due to falling materials. We did not put any additional money in for that. They do have issues they need with which they need to deal but which we did not address.

Rep. Kempenich: Is there any cost estimate?

Rep. Skarphol: They did not provide one; I don't think they had one.

Chairman Delzer: Did you discuss if there was any way a person could sign in at customs and then have an easier way getting back out of the Peace Garden?

Rep. Skarphol: We did not have that discussion. The director of the Peace Gardens has very little to do with the customs aspect of it.

36:50 **Rep. Skarphol:** One thing we haven't discussed yet is Fort Lincoln. How do they intend to operate it? If they don't have a continuing appropriation of receipts, is there money for an operation since there is that separation between Fort Lincoln and the foundation that had provided some financial support?

Joe Morrissette: The department thought they had adequate authority to operate that.

Chairman Delzer: If they money didn't come in to cover what they needed, they would turn around and not do some of the other things they have listed with their estimated income.

Joe Morrissette: They'd have to make that choice.

Rep. Skarphol: There was some concern over who would have ownership of what. That process is under negotiations between the foundation and the park. In the end, if there are valuable artifacts out there, this committee maybe wants to give some direction as to whether or not we feel those artifacts belong to the park service or of the state historical society. If they are valuable historic artifacts, who is the appropriate owner?

38:50 **Chairman Delzer:** At this point, I think it would be hard to come up with the proper language of how to address that. I think if we put it on the minutes that we had a discussion about it, you could have some sort of discussion about that in the conference committee when there is one on this.

Rep. Glassheim: I'm concerned about the ongoing use of the facility for interpretive historical activities. What brings people there are the interpretive guides walking around and interacting with visitors as soldiers of that time. If the interpretive guides are not there and it's only things to look at, I think over time people will stop coming. I hope Parks & Rec intends to continue to operate it as a historical interpretive center.

Rep. Skarphol: We were approached by Sen. Erbele to put an amendment on here to buy the Lawrence Welk home. The committee was not willing to do it. We did have some discussion about the appropriate thing to do with it.

Rep. Dosch: Rather than purchase and maintain it, it may be appropriate to buy the home and move it elsewhere, like Bismarck's Buckstop Junction.

Chairman Delzer: I had heard they weren't interested in selling it to the parks without significant money.

Rep. Brandenburg: The Lawrence Welk Interpretive Center is very important to my district, and I think it would be a mistake to move it from its historical location. This has historical value on Highway 83.

43:08 **Rep. Bellew** made a substitute motion to remove section 7 and the associated money from amendment .01002 but keep the rest of the amendment.

Rep. Pollert seconded the substitute motion.

Rep. Bellew: My concern is that there was no hearing on it but it just appeared. It is a private property.

Chairman Delzer: With this one, I think we are really going beyond what we should be doing as an amendment in the budget bill. If this had been a standalone thing and had gone through so that the full assembly had seen it, whatever about that. I don't see that we want to put money in there with the possibility that the appraised value could come in at twice as much which we would then still cover.

Rep. Monson: I apologize for bringing this in at such a late date and as an amendment. I think this is important to that area and to the whole northeastern corner of the state. When something like that comes up for sale, it is an opportunity.

Chairman Delzer: A lot of the members on the floor have told me what upsets them the most about the appropriations committee is when something shows up that no one has heard about. Each thing should stand on its own. If it's a great idea for the state and a good use of the money, we should support it. Personally, I think there are other places I'd like to see the money go.

47:00 **Rep. Glassheim:** This place is a gem, \$1M or \$3M doesn't matter, it's a great place. To have it be a state park is a bargain no matter the price.

Voice vote on substitute motion to remove section 7 of .01002. **Voice vote fails. Division requested.**

Roll call vote on substitute motion to remove section 7 of .01002. **Motion fails.**

Yes = 8

No = 13

Chairman Delzer: Rep. Dosch, you said something about 400,000. Do you want to make an amendment to your motion to cover that?

Rep. Dosch: Yes, we need to decrease that by \$400,000.

Chairman Delzer: I think we'll go ahead and adopt this amendment and then further amend.

Voice vote on original motion to adopt amendment .01002. **Voice vote carries.**

Chairman Delzer: We have the amended bill before us.

Rep. Dosch: I'd like to **move** to further amend to reduce...I need help with which line.

Joe Morrisette: That would be out of the Natural Resources line. The discussion in subcommittee was to reduce that line by \$350,000, half of which would come from the general fund and half from special funds.

Rep. Skarphol: Seconded.

Chairman Delzer: We have a motion to further amend to reduce the natural resources line by \$350,000, half general fund and have special funds.

Rep. Skarphol: That left \$450,000 for that purpose.

Joe Morrisette: That is correct. That \$450,000 is also split evenly between general funds and other funds.

Chairman Delzer: There are special funds here. Are there collection monies?

Unidentified speaker: It would be mixture of their park revenues and their oil bonus money already received.

Voice vote on motion to further amend. **Voice vote carries.**

51:52 **Rep. Monson:** Since Section 7 is still in this bill, I do not think it is worded right. It makes it sound like the money would go to buy the whole Pembina Gorge. It should not say just the Frost Fire area. Instead of saying "the Walhalla Gorge" it should say "purchase of property in the Walhalla Gorge." We do not need to specify...

Chairman Delzer: Shouldn't we have this tight enough so that they cannot just pick some place up there?

Rep. Monson: If you want to leave it as that, fine, but the words "the Walhalla Gorge" sounds too broad.

Chairman Delzer: I agree. But to say "area purchase" leaves it too open.

Rep. Monson: Well, just "the purchase of property in the Walhalla Gorge and Frost Fire area."

Rep. Brandenburg: You should be able to get a legal description of what the property is.

Rep. Monson: Motion to change *of to in*.

Rep. Sanford: Second.

Voice vote on motion to further amend. **Voice vote carries.**

Rep. Dosch: Makes a motion to **Do Pass as Amended** for HB 1019.

Rep. Skarphol: Seconded.

55:34 **Rep. Skarphol:** The Park Service actually received \$3.1 million in lease money for the land that they own that has potential. They spent about 1.9 and have about 1.2 left in here of that lease money. Joe, is that relatively correct? Is that part of the revenue that is being referenced?

Joe Morrissette: That is part of the revenue being appropriated in this coming budget. I am not sure if 1.9 in the current biennium is the right amount.

Rep. Skarphol: There is \$1.2M left in here. It is going to be used for their purposes. Like Rep. Dosch said, they are getting about \$3000 a month. The lease money was significant and has been used for the improvements of the parks.

Chairman Delzer: Is it gone, or will there be \$1.2 million that they figure to use next biennium?

Rep. Skarphol: That's 1.2 to use this next biennium in the capital projects.

Chairman Delzer: Why did you leave that much there as compared to using more of it instead of the general fund this time?

Rep. Skarphol: It is all going to be utilized in the 13-15 biennium.

Chairman Delzer: Thank you. Further discussion

Roll call vote on motion for a **Do Pass as Amended**. **Motion carries.**

Yes = 15

No = 6

Absent = 1

Carrier: Rep. Dosch

NR
2/25/13
1063

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 3, after the semicolon insert "to provide an exemption;"

Page 1, replace lines 15 through 20 with:

"Administration	\$2,484,885	\$167,115	\$2,652,000
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,488,150	21,256,353
Recreation	7,489,091	(1,515,640)	5,973,451
Total all funds	\$22,742,179	\$7,321,202	\$30,063,381
Less estimated income	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Total general fund	\$11,100,647	\$6,523,222	\$17,623,869"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$6,723,222	\$18,597,568
Grand total special funds	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Grand total all funds	\$23,515,878	\$7,521,202	\$31,037,080"

Page 2, replace line 17 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$6,362,800"
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Page 2, replace lines 24 through 26 with:

"Total all funds	\$5,777,210	\$7,162,800
Less estimated income	<u>1,028,000</u>	<u>1,937,800</u>
Total general fund	\$4,749,210	\$5,225,000"

Page 3, after line 14, insert:

"SECTION 5. EXEMPTION. Up to \$400,000 of community grants funding from the general fund included in the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1.

SECTION 6. OIL-RELATED REVENUE - NEW WELLS. Fifteen percent of any revenue received by the department from oil wells completed after July 1, 2013, must be used for the community grants program for the biennium beginning July 1, 2013, and ending June 30, 2015. Any remaining revenue received from these oil wells may only be used for one-time funding items.

SECTION 7. PROPERTY PURCHASE IN WALHALLA GORGE AND FROST FIRE AREA. The natural resources line item in subdivision 1 of section 1 of this Act includes \$2,800,000 for the purchase of property in the Walhalla gorge and frost fire area. Of this amount, up to \$1,670,000 from the general fund and \$830,000 of other funds from local matching funds may be used for the purchase of land and buildings. For each \$2 of funding from the general fund used for the purchase, \$1 of other funds from local matching funds must be received in cash by the department before the purchase is made. The land and buildings may not be purchased for more than the

appraised value. The remaining amount of \$300,000 from the general fund may be used for operations, a business plan, and other related expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of House Action

	Executive Budget	House Changes	House Version
Parks and Recreation Department			
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$16,170,950	\$1,452,919	\$17,623,869
International Peace Garden			
Total all funds	\$973,699	\$0	\$973,699
Less estimated income	0	0	0
General fund	\$973,699	\$0	\$973,699
Bill total			
Total all funds	\$28,936,484	\$2,100,596	\$31,037,080
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$17,144,649	\$1,452,919	\$18,597,568

House Bill No. 1019 - Parks and Recreation Department - House Action

	Executive Budget	House Changes	House Version
Administration	\$2,719,322	(\$67,322)	\$2,652,000
Natural resources	19,234,022	2,022,331	21,256,353
Recreation	6,009,441	(35,990)	5,973,451
Accrued leave payments		181,577	181,577
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$16,170,950	\$1,452,919	\$17,623,869
FTE	55.00	0.00	55.00

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

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Adds Funding for Purchase and Operation of Walhalla Gorge Property ⁴	Reduces Funding for Marina Purchase ⁵	Total House Changes
Administration	\$695	(\$41,260)	(\$26,757)			(\$67,322)
Natural resources	4,887	(290,386)	(142,170)	2,800,000	(350,000)	2,022,331
Recreation	400	(23,740)	(12,650)			(35,990)
Accrued leave payments			181,577			181,577
Total all funds	\$5,982	(\$355,386)	\$0	\$2,800,000	(\$350,000)	\$2,100,596
Less estimated income	119	(7,442)	0	830,000	(175,000)	647,677
General fund	\$5,863	(\$347,944)	\$0	\$1,970,000	(\$175,000)	\$1,452,919
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.

- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of salaries and wages funding from the general fund (\$176,130) and from other funds (\$5,447) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴Adds funding for the purchase and operation of property in the Walhalla Gorge and Frost Fire area.

⁵Funding included in the executive budget recommendation for the purchase of a marina is reduced from \$800,000 to \$450,000. Of the \$450,000, \$225,000 is from the general fund.

This amendment also adds sections related to the following:

- An exemption from Section 54-44.1-11 of \$400,000 for community grants included in the recreation line item.
- Provisions for the revenue received from newly drilled oil wells.
- Provisions for the purchase of property in the Walhalla Gorge and Frost Fire area.

Date: 15 Feb.
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Dosch Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	✓		Rep. Clark Williams		
Vice Chairman David Monson	✓		Rep. Tracy Boe	✓	
Rep. Bob Martinson		✓			
Rep. Roscoe Streyle	✓				
Rep. Mark Dosch	✓				
Rep. Bette Grande	✓				

Total (Yes) 6 No 1

Absent 1

Floor Assignment _____

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

6 - 1 - 1
 reduction of 350 000
 in half & half distro.
 Motion carries

Date: 2-18-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol			Rep. Clark Williams		
Vice Chairman David Monson			Rep. Tracy Boe		
Rep. Bob Martinson					
Rep. Roscoe Streyle					
Rep. Mark Dosch					
Rep. Bette Grande					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: Voice Vote
Motion carried
400,000 may be carried forward.

Date: 2-18-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 0.1001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Monson Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	✓		Rep. Clark Williams	✓	
Vice Chairman David Monson	✓		Rep. Tracy Boe	✓	
Rep. Bob Martinson	✓				
Rep. Roscoe Streyle	✓				
Rep. Mark Dosch	✓				
Rep. Bette Grande	✓				

Total (Yes) 8 No 0

Absent 0

Floor Assignment _____

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

1/3 local 2/3 state
1. \$66 million from general fund and the remainder from local funds.

Date: 2-18-13
Roll Call Vote #: 23

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Streyle Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	✓		Rep. Clark Williams	✓	
Vice Chairman David Monson	✓		Rep. Tracy Boe	✓	
Rep. Bob Martinson	✓				
Rep. Roscoe Streyle	✓				
Rep. Mark Dosch	✓				
Rep. Bette Grande	✓				

Total (Yes) 8 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
15% of new oil wells.
15% goes to community grant program
~~PROGRAM~~

Date: 2-18-13
 Roll Call Vote #: 4

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Education and Environment Division Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Dosch Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Robert Skarphol	✓		Rep. Clark Williams	✓	
Vice Chairman David Monson	✓		Rep. Tracy Boe	✓	
Rep. Bob Martinson	✓				
Rep. Roscoe Streyle	✓				
Rep. Mark Dosch	✓				
Rep. Bette Grande	✓				

Total (Yes) 8 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
Parks + Rec. budget

Date: 2/22/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .01002

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Substitute motion

Date: 2/22/13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Bellew Seconded By Rep. Pollert

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle		X
Vice Chairman Kempenich	X		Rep. Thoreson		X
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande	X		Rep. Boe		X
Rep. Hawken		X	Rep. Glassheim		X
Rep. Kreidt	X		Rep. Guggisberg		X
Rep. Martinson			Rep. Holman		X
Rep. Monson		X	Rep. Williams		X
Rep. Nelson		X			
Rep. Pollert	X				
Rep. Sanford		X			
Rep. Skarphol	X	X			

Total Yes 8 No 13

Absent _____

Floor Assignment _____

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

*remove section 7 of .01002 - leave the rest
 ↳ plus the associated money
 voice vote fails
 roll call requested
 return to previous motion*

Date: 2/22/13
 Roll Call Vote #: 3

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

Further amend to reduce by \$350,000 - half general
 ✓
 Natural Resources line
 half special

voice vote carries

Date: 2/22/13
Roll Call Vote #: 4

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Monson Seconded By Rep. Sanford

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

section 7 - Walhalla Gorge

"purchase of property in Walhalla Gorge"

change of to in

voice vote carries

Date: 2/22/13
 Roll Call Vote #: 5

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson		X
Rep. Bellew		X	Rep. Wieland		X
Rep. Brandenburg		X			
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson			Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert		X			
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 15 No 6

Absent 1

Floor Assignment Rep. Dosch

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

REPORT OF STANDING COMMITTEE

HB 1019: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to provide an exemption;"

Page 1, replace lines 15 through 20 with:

"Administration	\$2,484,885	\$167,115	\$2,652,000
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,488,150	21,256,353
Recreation	7,489,091	(1,515,640)	5,973,451
Total all funds	\$22,742,179	\$7,321,202	\$30,063,381
Less estimated income	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Total general fund	\$11,100,647	\$6,523,222	\$17,623,869"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$6,723,222	\$18,597,568
Grand total special funds	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Grand total all funds	\$23,515,878	\$7,521,202	\$31,037,080"

Page 2, replace line 17 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$6,362,800"
--	-------------	--------------

Page 2, replace lines 24 through 26 with:

"Total all funds	\$5,777,210	\$7,162,800
Less estimated income	<u>1,028,000</u>	<u>1,937,800</u>
Total general fund	\$4,749,210	\$5,225,000"

Page 3, after line 14, insert:

"SECTION 5. EXEMPTION. Up to \$400,000 of community grants funding from the general fund included in the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1.

SECTION 6. OIL-RELATED REVENUE - NEW WELLS. Fifteen percent of any revenue received by the department from oil wells completed after July 1, 2013, must be used for the community grants program for the biennium beginning July 1, 2013, and ending June 30, 2015. Any remaining revenue received from these oil wells may only be used for one-time funding items.

SECTION 7. PROPERTY PURCHASE IN WALHALLA GORGE AND FROST FIRE AREA. The natural resources line item in subdivision 1 of section 1 of this Act includes \$2,800,000 for the purchase of property in the Walhalla gorge and frost fire area. Of this amount, up to \$1,670,000 from the general fund and \$830,000 of other funds from local matching funds may be used for the purchase of land and buildings. For each \$2 of funding from the general fund used for the purchase, \$1 of other funds from local matching funds must be received in cash by the department before the purchase is made. The land and buildings may not be purchased for more than the appraised value. The remaining amount of \$300,000 from the general fund may be used for operations, a business plan, and other related expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of House Action

	Executive Budget	House Changes	House Version
Parks and Recreation Department			
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$16,170,950	\$1,452,919	\$17,623,869
International Peace Garden			
Total all funds	\$973,699	\$0	\$973,699
Less estimated income	0	0	0
General fund	\$973,699	\$0	\$973,699
Bill total			
Total all funds	\$28,936,484	\$2,100,596	\$31,037,080
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$17,144,649	\$1,452,919	\$18,597,568

House Bill No. 1019 - Parks and Recreation Department - House Action

	Executive Budget	House Changes	House Version
Administration	\$2,719,322	(\$67,322)	\$2,652,000
Natural resources	19,234,022	2,022,331	21,256,353
Recreation	6,009,441	(35,990)	5,973,451
Accrued leave payments		181,577	181,577
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$16,170,950	\$1,452,919	\$17,623,869
FTE	55.00	0.00	55.00

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

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Adds Funding for Purchase and Operation of Walhalla Gorge Property ⁴	Reduces Funding for Marina Purchase ⁵	Total House Changes
Administration	\$695	(\$41,260)	(\$26,757)			(\$67,322)
Natural resources	4,887	(290,386)	(142,170)	2,800,000	(350,000)	2,022,331
Recreation	400	(23,740)	(12,650)			(35,990)
Accrued leave payments			181,577			181,577
Total all funds	\$5,982	(\$355,386)	\$0	\$2,800,000	(\$350,000)	\$2,100,596
Less estimated income	119	(7,442)	0	830,000	(175,000)	647,677
General fund	\$5,863	(\$347,944)	\$0	\$1,970,000	(\$175,000)	\$1,452,919
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.

- Removes funding for additional retirement contribution increases.

³A portion of salaries and wages funding from the general fund (\$176,130) and from other funds (\$5,447) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴Adds funding for the purchase and operation of property in the Walhalla Gorge and Frost Fire area.

⁵Funding included in the executive budget recommendation for the purchase of a marina is reduced from \$800,000 to \$450,000. Of the \$450,000, \$225,000 is from the general fund.

This amendment also adds sections related to the following:

- An exemption from Section 54-44.1-11 of \$400,000 for community grants included in the recreation line item.
- Provisions for the revenue received from newly drilled oil wells.
- Provisions for the purchase of property in the Walhalla Gorge and Frost Fire area.

**2013 SENATE APPROPRIATIONS
HB 1019**

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019
March 14, 2013
Job # 19916

Conference Committee

Committee Clerk Signature

Rose Janing

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden

Minutes:

Testimony attached # 1 - 7

Legislative Council - Sheila M. Sandness

OMB - Joe Morrissette

Chairman Holmberg opened the hearing on HB 1019. All committee members were present.

Mark Zimmerman, Director, North Dakota Parks and Rec

Testified in favor of HB 1019

Testimony attached # 1 Written Testimony

Testimony attached # 2 ND Parks and Recreation 2011-2012 Annual Report

Testimony attached # 3 North Dakota State Parks Guide

Brad Pozarnsky, Dept. Field Manager, ND Parks and Recreation Department

Testimony is included in attachment # 1.

(11:17) **Senator O'Connell:** Being in oil country, are you having a hard time getting people part time and where are you getting them from? Can they find any living accommodations?

Brad Pozarnsky: We're at a \$9-10 average now and we're going to up it to \$11 or maybe a little higher. The oil field is sucking away all our older or over 18 crew. Housing is an issue, but in all our state parks, we provide some type of seasonal housing.

Senator O'Connell: Where does the part time help come from? Are they local or coming from around the whole state?

Brad Pozarnsky : The people who are majoring in Parks and Recreation, we get them out of colleges. The ones that aren't are usually younger people who will work maintenance, etc.

Senator Warner: There are a lot of different forms of vacations and ND does a very good job on some of them, such as boats and docks, trails and winter trails. Have you ever considered the day trippers around the country who go to the beach? Have you considered purchasing beach grooming machinery? Some places have sandy beaches where the machinery goes over it, sifting the sand for glass and contouring the beach. Has that been considered?

Brad Pozarnsky: We have self-made things. It doesn't actually pick up the glass. We walk through and try to pick everything up, but we have little discs that lays it all flat, but that is a good idea and something to consider. Something like that would cost \$30,000-50,000.

Senator Wanzek commented that he had a brother-in-law that spent a year and a half in Grand Isle when the BP spill happened. It's a Jamestown business and they have a factory in MN. They built a beach cleaning piece of equipment that cleans right down to a dime up out of the beach. So we have that capability right here in ND and I can share that with you if you ever wanted to look into that. They were on CNN News and Fox News when they were doing that. It was a ND company that helped to clean up a lot of beaches in Grand Isle from the BP spill.

Chairman Holmberg: Well, that was a brazen plug. (laughter)

Senator Wanzek: I didn't mention the name of the company or anything else.

Senator O'Connell: From two years ago, there were a number of people who were working for Parks & Rec that were considered part time but had been there 11-12 years. How many people do you have that are fulltime but considered part time temporary?

Brad Pozarnsky: I would say between 5 and 7 fulltime temporary, but we pay their insurance.

(16:17) **Jesse Hanson, Planning and Natural Resources Division, ND Parks and Recreation Dept.**

Testimony is included in attachment # 1.

Chairman Holmberg: (reading from testimony) What is forb seeding? Answer: Native flowers.

Senator Mathern said he camped at the Cross Ranch and was surprised by the connection between the Nature Conservancy and the Ranch. He asked about their planning with private organizations and wanted to know if there was a staff person to coordinate.

Jesse Hanson: Typically our park manager and the manager of the Nature Conservancy's Cross Ranch work together to provide programs. They will plan scheduled tours in the summertime, but probably not in the winter.

Senator Mathern: So that is locally managed. You don't have a staff person that manages that? Answer: No. We leave all that up to the Park Manager.

Senator Carlisle: On the \$800,000 for the docks at Kit's Marina that was reduced to \$450,000, was that an appraised value or how did they come up with that number.

Jesse Hanson: That dollar amount was set arbitrarily by the House Appropriations Committee. It wasn't a number that our agency provided.

Senator Carlisle: There must have been some dynamic that they came up with \$800,000.

Jesse Hanson: When our agency came up with \$800,000, it was a process of working through an appraisal of the docks which is a very difficult situation. It's appraising a dock system with cables, underwater anchors, ... So what our agency did was - we had to have something in place should the owner of the dock system decide to exit the property. That budget request was put in with the idea that that's what it would take for our agency to replace the docks in the marina new.

(29:10) Arik Spencer, Recreation Division Manager, ND Parks and Recreation Department

Testimony is included in attachment # 1.

Senator Grindberg wanted to give them a kudos. His sister farms near Langdon and they were four wheeling in the Pembina Gorge on a Sunday in June or July when they came upon a young man cleaning up after a wind storm. They asked "Why are you working on a Sunday?" and he said they have great pride in what we do.

(36:01) Doug Hevenor, CEO, International Peace Garden

Testified in favor of HB 1019

Testimony attached # 4

(41:50) Ron Merritt, Board Member, North Dakota Parks and Recreation Association (NDPRA)

Testified in favor of HB 1019

Testimony attached # 5.

(45:07) Chairman Holmberg: The \$400,000 that he's talking about, is that the line 22 in the engrossed bill for community grant program? Answer - Yes.

(45:30) Kathy Stremick, Rendezvous Region

Testified in favor of HB 1019

No written testimony, but handed a brochure - see attached # 6.

In HB 1019, I am referring to Section 7. The Pembina Gorge consists of 12,500 acres. The State of ND, through its agencies ND Park & Rec and ND Game & Fish are the largest landowners in the Pembina Gorge. In 2005, former Governor Hoeven made a visit to the Pembina Gorge area and they explained the help they need to properly ensure protection, development, and preservation of the Pembina Gorge. At that time he gave us funding to do a study and develop trails. That went on and then through an appropriation to the ND Parks and Rec, trails were developed. We need to ensure that proper management is done. We feel, at the local level, who better to do that than ND Park & Rec, therefore we

feel that ND Parks & Rec needs a home. Out in the Pembina Gorge is Frost Fire Mountain. Frost Fire Mountain has all the amenities and would serve as the perfect home to become the Pembina Gorge Interpretive Center, Pembina Gorge State Recreation area, to trail head all activities out of that facility. We want this to grow to make the Pembina Gorge a must see destination which is unique to ND.

(47:40) Shane Goettle representing Kit Henegar, dba Captain Kit's Marina

Testified in favor of HB 1019.

No written testimony.

He was contacted by some boat owners in Captain Kit's Marina who asked if he would get involved after the House cut the amount that the governor had recommended for the potential purchase of this marina by the state. The governor had worked with the Parks and Rec department and believes \$800,000 is the amount needed to purchase this facility.

Kit Henegar has been operating this facility for more than 20 years. The state stands in the role as competitor, land lord and the only market that can potentially buy this facility because there is no long term lease that anybody in the private market could possibly be interested in, so Mr. Henegar is competing against the state with the state being the landlord as well as its only potential buyer. This issue has lingered for a long time, but the governor's office and parks and rec wanted to move forward and get this deal done.

While there is no deal yet, it would take this amount to get everything in motion so we could ultimately arrive at a conclusion of this. There is no lease in place for this season. That has made some boat owners nervous. We're here to support the governor's original request of \$800,000 and ask the committee to restore that.

V.Chairman Bowman asked if the marina was self-supporting and are there enough resources coming in to run it after it's purchased? Will it increase the bottom line to the cost of government?

Shane Goettle: The Henegar's have operated this facility for more than 20 years. They've had debt service to cover during that time. There is a cantina up there that can be operated. This is a nice facility and the state would own something that would be nice to operate. With the slip fees, and if the state operates it, it just needs to be cash flow to the point where it covers the cost. I believe that would be possible.

Senator Carlisle: Fort Stevenson is a big park. One of our former senators got several million dollars to re-do Fort Stevenson and put that in direct competition with Captain Kits Marina, so he's between a rock and a hard place because we have the government supporting Fort Stevenson. I think Senator Dorgan was a player behind it and it was a several million dollar deal. It's out there and it's a neat place, but I asked the question earlier of how the \$800,000 went to \$400,000. Do you have any observations on that?

Shane Goettle: I wasn't in that hearing because I wasn't representing the marina at that time. I've learned that some of the committee members wanted to cut the funds and didn't feel that they needed justification in the record. The \$800,000 doesn't represent any kind of final deal. The Parks and Rec will still have to do its due diligence, but there is no possible deal at the level that the House cut this to. The Parks & Rec did their due diligence to put that figure in the budget and say that's the level we need to negotiate this out and bring it to final conclusion.

Senator Carlisle said there is another smaller marina across the bay that his friend owns and he's in the same situation, only in a smaller situation. When this happened, the whole dynamic changed.

Shane Goettle: These marina owners are in a box, with the state as competitor and landlord and the only market they have. There is no one in the private market that is going to come here unless the state says they will offer a 7 year lease or longer so they could consider doing capital improvements and get a return on my investment. There is no lease right now and it's being done on a season by season basis. You can't interest anyone in the private market with that kind of arrangement.

(54:10) Tracy Potter, Executive Director, Fort Abraham Lincoln Foundation
Testified in favor of HB 1019
No written testimony.

I want to direct the committee's attention to one specific issue and one general one. In the last 23 years, the Fort Abraham Lincoln Foundation has put about \$10M into Fort Lincoln in either the buildings they built and left there. Much was done with federal funds, some with private funds and they operated the interpretive program and the book store. We're no longer providing this at Fort Lincoln and have notified the Parks dept. in late December. I have no financial interest in the topics I'm about to bring to you. I'd like to call your attention to the Harold Brady collection.

I sent an email to you earlier today about the collection. Harold is 92 years old and when he was about nine, he started riding his bike out to Fort Lincoln and he was collecting things. Legally or illegally, the statute of limitations has certainly run out so Harold's collection was obtained and he was there when the CCC was digging and they were throwing things away, so he'd pick them up. Over the years, he collected a lot; 10,000 square nails, items that represent the fort, General Custer and that area very well. He displayed these items in 75 cases, 2 foot by 3 foot, and I was able to convince him to provide them to the Fort Lincoln Foundation on permanent loan for a display at Fort Lincoln State Park. The items are still at the park. Harold had a stroke in December and that led his daughter to contact me. This collection is part of his estate and they feel they will be forced to take the collection back and sell it. It is only useful to them if it's converted to an asset and for sale. It has been appraised at \$42,500 and the appraisal stated that it's worth more as a total collection and displayed at Fort Lincoln State Park than it would be anywhere else. It's at the park currently and is a valuable asset and it will be lost, I'm afraid, if it is not purchased. I would encourage you to place into the Parks budget sufficient resources to negotiate the purchase of these items.

I have a rooting interest in the interpretive program at Fort Lincoln State Park. Our foundation is donating an insured value of \$350,000 worth of exhibits and items to the state so they can maintain that. The Custer House is going to remain as is, with the items owned by the Foundation being donated to the state so it can continue the interpretive effort out there. We've also encouraged our interpretive staff to take positions with the state if those positions are offered. The parks director is somewhat restrained in going beyond the executive budget and I would encourage you to take a close look during the subcommittee

and make sure the interpretive effort does not suffer any decrease with the absence of the Foundation.

Chairman Holmberg said that the subcommittee will be: **Senator Krebsbach, Senator Gary Lee and Senator O'Connell.**

(1:00:04) **Bill Butcher, Friends of Lake Sakakawea**

Testified in favor of HB 1019

No written testimony, but asked the committee to reverse the House decision to purchase Captain Kit's Marina and placing it under Parks and Rec.

(1:02:16) **Doug Prchal, State Park System Advocate and Park User**

Testified in opposition to amended section 7 initiated by House Appropriations in the state's purchase of the Frost Fire Ski Area.

Testimony attached # 7

(1:05:36) **Senator Carlisle** (to OMB or Legislative Council): If there is oil in whatever entity of a state agency, they get to keep the oil lease revenue, correct? And Parks and Rec would be an example?

Joe Morrisette: It does depend on the statutory authority that governs the agency's ability to collect and retain revenue. There are cases, like the State Historical Society, where any oil leases that they have, that revenue goes to the general fund. But in the case of Parks, their statutory authority is broad enough that it allows them to retain that in their special fund.

Chairman Holmberg said there are oil interests at Dickinson State, at the Veterans' Home, the capital grounds.

Joe Morrisette: The capital grounds fund that is administered by the Land Department does have oil revenue that flows to it.

Senator Erbele: to **(Mark Zimmerman)** Several staff people have mentioned that over the next five years, \$102M of unmet capital needs, and if this Outdoor Heritage bill that is currently in the hopper gets passed and is funded, your agency would qualify for some of those funds. Do you have any projects in that unmet needs area, that \$102M, that would qualify under the conservation part of the Park system?

Mark Zimmerman: Absolutely. In our discussions with the governor's office and his budget for the Outdoor Heritage Fund as well as our visits in the House, we would certainly apply for our department for some of those grant funds and work with NDRPA in pitching that money out in some of those unmet needs.

Senator Erbele: Could you give me an example of what some of those projects would be that would fall under conservation?

Mark Zimmerman: I don't know if it would fall under the conservation part, but the provision in the bill for the Outdoor Heritage Fund is for Parks and Recreation. We would

seek and advise them to submit project applications to make improvements in parks with playground equipment or in city parks with a campsite or two.

Senator Erbele: (speaking of the \$102M) I would like to know what some of those specific unmet needs are. Playground equipment, what else?

Arik Spencer: We did an 'outdoor recreation provider' survey. We sent out 303 surveys, and 200 returned the survey that indicated different types of unmet needs. Those can range from pools, playgrounds or could even be larger infrastructure needs like at the Peace Garden. It includes campground needs, so it's the full spectrum of all the outdoor recreation needs that we believe were reported. Some of that could be related to more people coming to western North Dakota as well as some flood impacts. The outdoor recreation needs include getting parks back up to useable stance.

It's not a specific project but a whole range of things across the entire spectrum of outdoor recreation providers and we do have those individual surveys if we need to go back into more depth.

Senator O'Connell: (to Brad Pozarnsky) The Parks and Recs owns equipment, you don't go through the motor pool for any leasing?

Brad Pozarnsky: The only equipment that goes through the motor pool are cars. The rest is purchased.

Senator O'Connell asked about the vintage of the tractors and **Brad Pozarnsky** said they were over 20 years old. **Senator Robinson** asked if they could access some tractors from DOT but they hadn't checked into that.

Senator Erbele: (question to **Kathy Stremick** - of Cross Fire) We're looking at \$2.8 M and of that, you're going to ask \$830,000 of private matches and you can't buy that without the appraised value, but the appraisal has been done?

Kathy Stremick: The Pembina County JDA and the Cavalier County JDA committed the funds for the building assessment, the environmental and the appraisal. The appraisal has been completed and right now is being reviewed by a second appraiser because there is so much equipment involved.

Senator Erbele: Do you have a list of what we would be getting for \$2.8M? How many buildings, the size of the buildings, how many acres, equipment, and so on?

Kathy Stremick: Yes, that is all included in the building assessment. The building assessment and the environmental was done by YHR Engineering Firm out of Fargo and I can provide you with that information.

Chairman Holmberg closed the hearing on HB 1019.

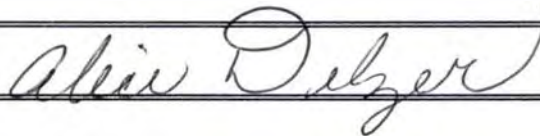
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019 Subcommittee
03-27-2013
Job # 20554

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for Parks and Rec.

Minutes:

You may make reference to "attached testimony."

Chairman Krebsbach called the subcommittee hearing together on Wednesday, March 27, 2013 at 10:30 am in the Harvest Room. The conferees present are: Krebsbach, Lee, and O'Connell.

Becky J. Keller- Legislative Council
Lori Laschkewitsch- OMB

Senator Krebsbach: On the second engrossment, of HB 1019. At this time to go into what we need to do the salary issue is a non-issue because we are reverting back to the governor's budget on this bill.

Mark Zimmerman, Director, ND Parks and Rec here to explain the differences looking at the green sheet dated March 13, 2013. If I would go through those the one time funding to update the strategic master plan that was in the House budget and that stays. The one time funding for community grant that stays as is; one-time funding for capital projects at various state parks, the House increased that funding by \$2,450,000 of which \$1,795,000 for the general fund and that would be for the purchase of the Frost Fire Ski area. The one time funding for extraordinary repairs is the same as before, the one- time funding for equipment was in the Governor's recommended budget; and then the other items dealing with salaries, the trail crew, the FTE position, and then the funding for the International Peace Garden.

Senator Krebsbach The salaries that you're speaking of in 6,7,8 were in the Governor's budget? **Mr. Zimmerman** yes, they were. **Senator Krebsbach** the number 9 issue, could you go through that with us again? I know part of it is for the tower.

Mr. Zimmerman None of that is for the tower, I understood from the Director of the International Peace Garden that \$200,000 increase is for his salary requests to increase the seasonal salaries at the International Peace Garden. **Senator Krebsbach** that was included by the governors' budget. **Mark Zimmerman** replied yes.

Mark Zimmerman The other side, funding for increased operating costs, those in the Governor's budget, the equipment purchase and extraordinary repairs were in the Governor's budget, #12 removers funding for capital assets that was more of a bookkeeping issue, and then the compensation package.

Senator Gary Lee: What do you mean bookkeeping issue there? What does that tell me?

Becky J. Keller We typically show the one time funding for capital projects and stuff to come out so that you don't think it is still in there and carried forward. **Senator Gary Lee:** Its one funding for this biennium that's here.

Mr. Zimmerman there are a couple of items. From the time of the Governor's budget recommendation, the House reduced an item the amount of \$800,000 for the purchase of the marina facilities at Lake Sakakewa State Park. The House amended that and reduced it to \$450,000; we would ask the Senate to consider returning that to the Governor's recommended budget at \$800,000.

Senator Krebsbach We're trying to find that in here.

Becky J. Keller If you go back up to # 3 the House increasing this funding by \$2.54 million, that net of the funding that was added for the Frost Fire area, and then the reduction of the marina purchase. **Senator Krebsbach** I see that, I've got to rework the math so that I understand it but I know what you're saying.

Mark Zimmerman: Shane Goettle is here specific to the marina as well.

Senator Krebsbach we will not address that issue now. Senator Armstrong wants to come in and we will deal with that next week.

Senator Krebsbach we would like to see what we need to look at.

Senator Gary Lee In terms of that number # 3 what was the Frost Fire cost and the marina cost to begin with?

Becky Keller replied the cost for the Frost fire area was \$2.8 million, and of that \$1.97 Million is from the General Fund, \$830,000 is matching; the marina was reduced by \$350,000 of that \$ 175,000 was general.

Senator Gary Lee What was the total for that to begin with the \$800,000? **Becky Keller** \$800,000. **Senator Gary Lee** It was reduced by \$375,000? **Becky Keller** \$350,000.

Mark Zimmerman Of that requested \$800,000 I wish to point out that half of that is general fund or park revenue for the marina purchase. We are not asking for all general funds.

Senator Krebsbach In park marina, that would that come from the properties that they do own at Fort Stevenson now, that is the Park and Recs?

Mark Zimmerman The department owns the land. We lease the land from the Corp of Engineers. We are purchasing what I would call the infrastructure, the docks, the cables, the anchors, the pump-out system. There is no real estate involved, our department leases from the Corp of Engineers.

Senator Krebsbach Any further requests. Welcome Senator Carlisle.

Senator Carlisle District 30 provided a proposed amendment # 13.8148.03001. This is for the collection, what I am putting an amendment for consideration there's a collection of approximately 42,500 with the idea that 1) before you act on the amendment we need an appraisal of verification to make sure that is the correct figure, 2) if any consideration is given to the amendment, that the parks and rec, need to have them on display 3) what I am kind of worried about if somebody would purchase it, if there isn't any action, between here and the Historical Society, the collection could be broken up and sold piece meal. That amendment is for your consideration. It needs to be displayed and not stored.

Senator Krebsbach Has it run directly through the Parks and Rec, is that correct?

Senator Carlisle I don't know if the parks and rec can own stuff. If we have it on record the director of parks and rec would indeed display this.

Senator Krebsbach From information, Century Code does not let the department own or accept artifacts. The Historical Society could own them and have the departments display them.

Senator Carlisle That would work, whatever you're committee verifies. As long as there is a potential to purchase them so they get on display as part of a complete collection.

Senator Krebsbach The dollar amount is \$42,500.

Senator Carlisle We'll need an appraisal; that's the figure they all heard. They all come with a written appraisal.

Senator Krebsbach we would just need a copy of that appraisal.

Mark Zimmerman I would like to add to that. I did visit with Merle Paavarud at SHS, they would not be interested in owning it, and they felt it would be better if our department would purchase it rather than the historical society. I didn't realize in the code that we are unable to do that. I would echo Senator Carlisle's comments that it would be unfortunate to have it split up and have 6 people whoever purchased those artifacts. In SB 2259 to maintain these archeological/ paleontological sites, so however, we could work that amendment. Just based on what Merle said to me they are not interested in them based on their ethics of what they should be purchasing. Merle said we most likely would put it in archives, not displayed. It would be great to have them at Fort Abraham Lincoln. I would ask for some favorable response on those amendments.

Senator O'Connell: Who appraise these? I would be more comfortable with two appraisals.

Mark Zimmerman I would think there would be someone dealing with antiques and will contact them.

Senator Krebsbach The Frost Fire - the subcommittee received a whole book, Testimony attached # 2. Environmental Site Assessment Appraisal; any discussion on that park?

Mark Zimmerman We don't have testimony but will answer any questions.

Senator O'Connell: What kind of shape is the place in, what will it take to get it up and running? I understand it is in pretty poor shape.

Mark Zimmerman I have been up there to the ski area. We don't have a lot of that information.

Jesse Hanson, Planning Division Manager for Parks and Rec: Unfortunately the appraisal and things were put together without our agency being on as part of it, so we are not able to give an assessment of the facilities. It is just from the appraisal. You can see there are older, they will have to be replaced or upgraded, and what those costs might be, we don't have the ability to give an answer from our agencies perspective.

Mark Zimmerman The appraisal and the budget passed over from the House does not have room for any funding, for staffing, for major improvements. That's a concern of our department, of what our obligation would be in 13-15 biennium. We could look at taking ownership, looking at possible concession contracts, but we know those going to be up grading the ski area, the restaurant, the summer theater, plus to staff it. Of course we don't have anything in our budget at this time.

Senator Krebsbach The property that area, the ski area and the theater, where they sit on, who owns that now?

Mark Zimmerman The Johnsons, Judith and Richard Johnsons, the owners of Frost Fire, own the property at the ski area.

Senator Krebsbach And the theater? **Mark Zimmerman** replied that would be included.

Senator Krebsbach Further discussion on items to be added.

Senator O'Connell: How much as far as the marina is concerned staffing, etc, what is it going to cost us?

Mark Zimmerman: Pit's Marina is at Lake Sakakawea state park on the south side of the lake close to Pick City. Our operation for seasonal employees, 5 to 6, those would be park revenues, costs covered by the revenue received at the marina as well as our general park revenues. So we're not looking at and part of our budget in the general fund for seasonal staff. But in anticipation of operating the marina, we figured that into our operated budget to hire seasonal staff. Our full time staff, our park manager, our park ranger, has marina experience. The current owner, Kip Henninger has agreed if the purchase does go through,

that Mr. Henninger and his wife would be there for the 2013 season to help in a transition to learn how to operate the docks, get to know their customers, so we don't see a lot of major costs. Mr. Henninger has maintained those docks in excellent shape. For the age of the docks we've had a couple of different companies up there looking at them, and they are amazed at 20 year old docks that there in that shape. Kip has done a terrific job of maintaining them. Kip is a diver and has friends who are divers, they have replaced those cables, what is there is a good purchase. Staffing it again, we are prepared to hire seasonal staff, income from slip rentals, gasoline sales, concession sales of snacks; bait, we can cover those costs to operate.

Senator Krebsbach Do you see it as a money producer in addition to covering costs?

Mark Zimmerman I think it can be in a couple of years. We realize that we are going to have to be replacing decking on the dock. Mr. Henninger chose, it was not a 7 day operation, we feel with seasonal staff and our park manager and park ranger living in the park, we feel we can go to a different business plan and operation. We feel we can realize an income from it, perhaps not again beyond what a replacement cost would be for decking, for cables; that will all have to be on a schedule. I don't see us coming back in 2015 for operating costs, that was a concern of mine, but with visiting with our analyst in OMB and in the Governor's office we have to figure that out. I believe we can make it work.

Senator Gary Lee Was that \$800,000 appraised value for the property? Not the property but the assets that were there?

Mark Zimmerman That was not the amount for the proposed value. We needed to put an amount in the budget. They were working on an amount with an appraisal with Mr. Henninger. It's difficult Senator Lee to find someone to give us an appraisal of that type of a dock system. We've had a couple of companies out from the Minneapolis area. When you go to a lake in Minnesota, they stay about the same level. Not a lot of fluctuation. The dock system at our marinas on the lake including kits, it's an extensive system to compensate for a 30-40 foot elevation in that lake. Just the anchor system, there is a couple of stiff arms their called to raise and lower that so we did not have an appraisal by the time we had to submit our budget. We worked on putting in a price in the budget that if the purchase did not go through, \$800,000 would be about the cost to replace those docks with new docks. We felt if we were not successful in making a purchase with Mr. Henninger we would at least the authority to spend up to \$800,000 for new docks. We are working again with Kit, and Mr. Henninger and we've got another company that is willing to look at the dock system. I believe we would not be above \$800,000 in an appraisal. I certainly realize we're not in a position yet, that we have \$800,000 and we will write you a check for \$800,000.

Senator Gary Lee Was that sort of an asking price that he had? **Mark Zimmerman** replied no, that was not the asking price of Mr. Henninger. We originally had visited with Mr. Henninger some months ago it was at \$1.2 Million dollars. We then visited at \$900 some thousand. So we're going to continue to work through that. Again I am not sounding coy here or evasive, but our effort was to assure us that we had funds to replace the docks if we need too. I hope that we don't come to that. I hope we will be able to work Mr. Henninger and get to an appraised value, get to a price that is going to work. I think something to be considered here is that if we don't, we also realize that we had the marina

and just slip rentals is a considerable amount of money, \$100,000 plus a year. If we can't, although I believe we can, but if we cannot come into an agreement with Mr. Henninger, and there isn't a 2013 season, where the slip renters aren't in the marina, we're going to lose a couple \$100,000 in business because we're not in agreement.

Senator Gary Lee Did the house offer their explanation for their reduction of that amount?

Mark Zimmerman I don't know that Rep. Streyle made the motion for the amendment to reduce it to \$450,000 with no explanation. We did have some figures from the North Dakota Small Business Development Center that had that in there, of a purchase price of about \$450,000. Again that was based more on their sales figures than an appraisal of the actual physical property. Again, we're a little disjointed though and part of it is the timing factor here. By the time we had to submit for the budget, to get it in, but I am confident that if we could have the amount returned to the Governor's Executive Budget and they felt comfortable, Joe Morrissette, our analyst felt it was a fair figure to put in the budget and defend to ask the Governor to support that. If we don't agree with the owner, we at least have the ability to go to the owner to offer at least \$800,000 to replace them. Now if we need to verify that with an appraisal we will certainly do that. Our intention is to work with Kit to come to an equitable price. We need to try to get this accomplished by the 2013 season. This is a viable part of the State Park, a big part on the south side of the lake to have that marina continue operation.

Senator O'Connell Some think the rent is too high down there for the slips. The rent has been negotiated up and then down, I think it's going to take a lot more convincing for me. It's hard to deal then.

Mark Zimmerman I would hope not, we need to make a distinction between the marina. The state already owns on the north side at Fort Stevenson. Our slip rental prices at Fort Stevenson are higher than Mr. Henninger's on the south side of the lake. We had made that an effort that the state not be in competition with private business. All of our slips are rented at Fort Stevenson State Park. Mr. Henningers' slips are rented- he has a rating list at Lake Sakakawea State Park.

Senator Krebsbach Explain to me how the funding for the slips that you own, the State Park. Where does that money come from?

Mark Zimmerman 4 years ago the Garrison community, worked with the North Dakota Congressional Delegation and the Corps of Engineers, funded the construction of the marina to the tune of about \$11 Million dollars. Then the docks were purchased and the last session the Legislature provided funding, general fund funding that we buy the docks and operate the marina. The State Park owns the docks, we operate the marina and the thought being the continued would be there of managing it and making sure that everything is up to par.

Senator O'Connell: At one time was our Fort Stevenson, a restaurant put in, which park is that put in and is that operating?

Mark Zimmerman At Fort Stevenson State Park, the construction by the Corp of Engineers, did include a concession building. The State Park operates a restaurant there now. We have a limited food service, we've learned after a couple of years what is going to work and what is going to sell. We staff it open on weekend is a bigger business, and that again after a couple of years we are breaking about even. We're learning more lessons of what to serve with hours to serve it, how much staff we need there, but we have that operating in conjunction when we do fuel sales at Fort Stevenson. So our staff is dual purposed, there in the food service building selling snacks on site food and then also operate the gas. Now on the other side, at Lake Sakakewea at Kit's Marina, they also operated a cantina. It was a very successful business and we would look at perhaps some operation there. They had a liquor license. The Attorney General's office has advised us as a state entity that we cannot hold the liquor license. So there is some consideration as to what we would do there, but Kit and his wife had a very successful profitable cantina for their slip renters and people in the park.

Senator O'Connell For the next meeting, could you provide a wish list what you would like to have put in the budget? What kind of grooming equipment 1-4, and prioritize that?

Mark Zimmerman We will provide that information.

Senator Krebsbach Can you just name them so we can get them on record or you can give them to Becky for her to include them in a document for the committee?

Senator Krebsbach closed the subcommittee hearing on HB 1019.

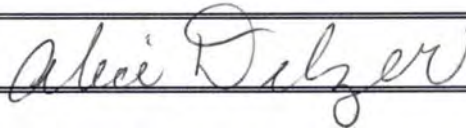
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019 Subcommittee
04-02-2013
Job # 20779

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for Parks and Rec.

Minutes:

You may make reference to "attached testimony."

Chairman Krebsbach called the subcommittee together at 2:30 pm on Tuesday, April 02, 2013 in the Senate Conference Room. Let the record show all conferees are present: Senator Krebsbach, Senator Gary Lee and Senator O'Connell.

Becky J. Keller- Legislative Council
Joe Morrissette - OMB

Senator Krebsbach also providing money for the IPG. List the items we will be dealing with on this bill. List of proposed changes to House bill # 1019.(Testimony #1) 1 and 2, agreed upon. We'll be sure to add that. Item 3, Marina at Fort Stevenson, the House cut that back, to \$450,000 and we need to put \$350,000 back in to meet the governor's recommendation. (Testimony #2)

Senator Armstrong: A little history with this is the state park marina, located at Pick City in the state park, since 1993, I have a slip in this marina. I sat on the House Appropriation side of this, the appraisal was just an equipment appraisal and not a business appraisal. Just the slip rentals alone which would probably go up if the state park takes it over is in access of \$150,000 a year. So when the appraisal amounts got moved back and forth, as this has moved over time, what has happened is the leases have gotten shorter. Several years ago there was private group interested in buying it, and there's always been people who own their boats at the marina, that talk about buying it but the problem, if you strap out a business plan, it has a 7 1/2 year rate of return which is a pretty good business with a 5 year lease. It's pretty tough to buy something if your rate of return is past your definitive time of when you are guaranteed to get back on it. A couple of things, docks, this is the only marina that has been open every single day, completely surrounded by the state part, essentially what has come through, it becomes impossible for the private person to buy it because of the condition. It's a cash flow business, there is money involved in it and I should say that it is run very well right now. The dock system is top notch, the guy who runs it does a really good job, if he leaves, he runs a great show. But the answer is through the mechanics how that works, it essentially is the only buyer left is the state of North Dakota

because of the leasing and things of that nature. The appraisal in the House was just a straight equipment appraisal and there is a gas station there, they sell gas to the motorists on the lake, there are the slip rentals and their leases are full, these are large sail boats and cabin cruisers, they live on the lake. It's a really great facility, given the current circumstances depending on what the policy should be, this will cash flow positive over the next 10 or 15 years, it will actually make money. It is an integral part of the south side of the lake, on the eastern part and it's a great facility. The cost to replacing this stuff would be exceptionally more than what is there now.

Senator O'Connell: How many people run the place now?

Senator Armstrong: Husband and wife essentially, some high school kids that help with the lawn mowing and weeding in the summer. **Senator O'Connell:** How many would that be? **Senator Armstrong:** 3 total, 2/1/2 people run it during the summer right now.

Senator Gary Lee: In terms of the \$800,000 we talked about that before, it isn't an appraised value, it is just a value that was arrived at in term of looking at the equipment and the condition and so on, what seemed to be a reasonable price without an appraisal?

Mark Zimmerman, Director of the ND Parks & Rec: If we are looking at it \$650,000 to \$700,000 we would be in that range. I am trying to get an appraisal but as Senator Armstrong said, it's difficult in that the system that Kit Henninger has put in place is unique to allow for 30 foot fluctuations. A couple guys looked at it, that is based on a lake in MN, that maybe fluctuates a foot or two. This is a whole different system. If I might the other thing, if the purchase doesn't go through, we are looking too at a year of no slip rental income here. If we don't come to an agreement on the price we're going to lose a years' worth of business at the marina as well. The state is obligated to buy at an appraised value, of it, perhaps that has to include this business aspect of it, but if we can't come to an agreement with Kit and Fay Henniger on it we will lose a whole years' worth of slip rentals and a whole years' worth of income.

Senator Gary Lee : The bank notes, any liens on this, that could cause the price to be less that it might appear?

Mark Zimmerman: I am not aware of anything. I would echo again, what Senator Armstrong said. Kit and Faye run a top notch operation. I will say there are a few years of the lease yet, buy the contract, Kit and Fay pay the state 2% of their gross to the state for a lease payment to run the operation. There are a few years there that are still unpaid, not a large amount of money, several thousand dollars. Kit and I have visited, if the purchase goes through, we would either deduct that from their final agreed price or we would pay the full agreed price and he would have to reimburse the state. That is based on 2% of his annual receipts at the marina.

Senator O'Connell: Can you furnish us with 5 years of income?

Mark Zimmerman: I cannot. Kit refuses; we will have a general price. I have just what he provides us. I am not disparaging, Mr. Henninger, but we have asked him numerous times in writing, in person to provide that. He will provide us with his total revenue, here is your

2% and this is all I have. The slips are full. Kit and Fay chose not to run a full week, with the two of them that is hard to run it seven days a week. Our business plan is run it 7 days a week. We'll have a little different operation there, not that Kit's and Fays' was wrong, but I would echo again we can make this work. If we run it 7 days a week, a full operation, but I can certainly get those figures but it's going to be very general figures.

Senator O'Connell: Then what's the total income for the slips for a year?

Mark Zimmerman replied were at \$170,000 plus. I would think our rental rates would go up a little bit. Kit has offered some discounts if he pays for a longer lease. That is what I know for the slip rentals.

Senator Krebsbach We can either make a decision. We will hold off on that one for a bit.

Senator Krebsbach All subcommittee here and officials from the state park are here.

Senator Krebsbach We did discover that this is something that parks and recs did not purchase because they cannot own artifacts of that nature. #4 - Brady collection. If we pursue this we have to run it through the State Historical budget, does that sound reasonable Joe?

Joe Morrissette I haven't seen that section of law. I would think it would be possible in the language that is drafted here just to say, if your intent was to have them own it, you could say notwithstanding that section of law, Park and Recs can make this purchase. That would certainly be possible I think, but I have not seen that section of law.

Senator Krebsbach I am comfortable with that type of wording added if we still decide to move forward with this. Senator Lee are you? **Senator Lee** replied Yes.

Senator Krebsbach There are two things we are still looking at, an official appraisal on the the equipment and Senator Carlisle do you have info on that?

Senator Carlisle What I asked when I presented the amendment from Mr. Zimmerman, to get either one or two appraisals before you made any decisions. You need to have something in writing for the committee.

Mark Zimmerman we do have one from Tracy Potter at the foundation. We do have one.

Jesse Hanson, Planning & Development Division Manager, Parks & Rec: Tracy Potter said he was going to send that to each one of the committee members.

Senator Krebsbach We will hold on that until we get that appraisal. It is important to look at that appraisal before we move on. #4. # 5 -one time equipment purchases. The Executive Budget included \$300,000, and evidently it was reduced down to \$150,000.

Becky J. Keller These items that are in the optionals, the \$150,000 is what wasn't funded the \$300,000 was, they didn't reduce it, they didn't include all of it.

Senator Krebsbach Do you have on hand what was not funded so we can look at that?

Becky J. Keller Everything that you see listed here and the amounts that are in those columns that is what wasn't funded. If I say that it was funded, that means if you added what wasn't funded you would have that big total.

Senator Krebsbach There was the \$300,000 that I have here on the green sheet, and they reduced it down. Wasn't it the optionals they didn't include?

Becky J. Keller: They didn't reduce it, but the governor did not include the \$150,000 that I show. So if you add \$150,000 they will have \$450,000 for one time.

Senator O'Connell So we have to add \$150,000 to bring it up if we so desire.

Becky J. Keller The Governor included \$300,000 for one time equipment in his budget. The Parks and Recs additional asked for \$150,000 that was not included in the Governor's budget. This is just a listing of all their OAR's that were not funded. But then it gives you some insight as to what was included in the Executive budget because we know what's in there.

Joe Morrisette That was part of their initial budget request to our office. They haven't gone to the House or your committee and said please give us this in addition to the Executive Budget, it is just that was part of their initial request to our office.

Senator Krebsbach Could Parks and rec justify what the additional \$150,000 is for?

Joe Morrisette It was \$125,000 for picnic tables, and \$25,000 for fire rings. We did not fund those things.

Senator Krebsbach: How strong of a pitch do you want to make it for the picnic tables and the fire rings, explain fire rings to me?

Brad Zarsky, Field Manager, Parks & Rec: Fire rings are where you start your camp fire. We don't allow them to just have fires all over. We restrict them to the fire ring. After so many years they just burn away. The same with picnic tables, we have hundreds of picnic and after a while we repair and the legs rust out, and we try and do a rotation of so many every biennium. The cost for the legs was \$150,000.

Mark Zimmerman, Could they do the new camp ground loop in Grahams Island, new camp ground loop at Lewis Clark will need tables as well; just to bring up the campsites.

Jesse The project that is currently biennium is for Grahams Island Camp ground has picnic tables included in. We do have a budget item that is being considered for an addition at our Lewis and Clark State Park for a camp site. They wasn't any picnic tables in there. This was just part of Brad's equipment and convert some of those. 30 campsites, not a new campground requests.

Senator Krebsbach These are not included in the new campsite list in the Governors' budget.

Jesse, When we put that budget together, we only considered construction of the camp ground. We did not consider purchase of the picnic tables in that incidence. If they would be approved we would put them in, if not we would borrow from other places to up them in.

Senator Krebsbach The salary in the Hay recommendation, that was covered in the Governors budget, was it not? We don't need to take care of it, that is okay.

Senator Krebsbach The new administrative assistant position, the Executive recommendation was included for one person. #7

Joe Morrisette Their request is for 3. The one that we included plus the two that they choose on here.

Senator Lee The \$174,000 is for the two that are included? **Senator Krebsbach** They are not included. **Joe Morrisette** The two that are not included.

Senator O'Connell Where are you going to put the additional two at? Senator basically said there was 2.5 people running the slips and stuff, so, where are those two people included for that or not?

Mark Zimmerman I can answer for the marina, we would hire seasonal employees, that is not in this number. Senator O'Connell, they are not in there.

Brad: The $\frac{3}{4}$ position will move up to full time. The three positions would be an administrative assistant at the state parks and these people not only have to answer the phone but are on-line reservation system, take reservations, answer calls, deposit money, supervise the seasonal people that work. The three we're going to Fort Lincoln, Turtle River and Lake Metigoshe State Park.

Senator Krebsbach Who is doing it now?

Brad We have long term seasonal people that have been around for a number of years and keep coming back. They are a real essential part of our operation. Lake metegoshee state park.

Senator Krebsbach If only one were where would you put that one person? **Brad** replied Lake Metigoshe State Park. **Senator Krebsbach** is that because of Senator Carlisle being here? The other two entities can be covered other ways?

Brad We would continue to fund them with the long term people salary. The way we have been.

Senator Krebsbach #8 - The Information Technology position. That is an FTE required or requested also.

Mark Zimmerman We requested that it was not included in the Executive budget. The demands on IT grows as well for our department. All of our maintenance schedules, all

reservations, are on line. We've requested that and would like to see it funded, but honestly to me our positions in the field are more important.

Senator O'Connell Now do you just contract with ITD? You don't have anybody on staff, you contract and then bill you for your services.

Mark Zimmerman We do have 1 full time on staff.

Senator Krebsbach You are requesting one more then right? **Mark Zimmerman** replied correct.

Joe Morrissette The one that they have now is the existing so we maintained the one that they currently have.

Senator Krebsbach The community grants, at was in the Governor's budget at \$600,000 and the House reduced it to \$400,000.

Becky J. Keller Actually they asked for \$1M and the Executive budget gave them \$400,000.

Joe Morrissette: Same appropriation as 09. \$400,000 is the same level that was appropriated two sessions ago. There was no appropriation in the 2011 session.

Senator Krebsbach #10 Recreation Educator position, that was not funded either.

Mark Zimmerman presently we have a person for OHB and snowmobile training. We'll continue that position at our present arrangement, it is not a seasonal it is a temporary position. It works well, it is not included in ex budget.

Senator Krebsbach But your telling me we can get by without it. **Mark Zimmerman** That is correct senator. We will scratch that one then.

Senator Krebsbach The next one is increase #11 Game and Fish Cooperative Agreement funding.

Joe Morrissette: In the Executive budget we continued that \$122,000 level that they have in the current biennium. That is what we told Game and Fish to budget and so we meshed those together. So that's the \$122,000 that is in both budgets jives. Game and Fish has it in their budget to pay the Parks; Parks has the authority to receive it and spend it in their budget. So this \$70,000 was the additional amount that they had requested but was not included in Game and Fish and this budget.

Senator Krebsbach Your reason for wanting \$70,000 more was for what?

Mark Zimmerman: On the boat ramps we've got increased usage of the boat ramps. They continue to need some work. Game and fish budget hasn't increased in a number of bienniums, to that amount and we have increased costs. We're going to have a couple of ramps this summer on the big lake, to be in there and doing some work as the low water

ramps now that we're low water is dropping in Lake Sakakawea. It's been a good cooperation between the Game and Fish and our dept.

Senator Krebsbach How many years has it been at the \$120,000? **Mark Zimmerman** replied, it was \$80,000 at one time. It's been 2 or 3 bienniums at the \$122,000. **Senator Krebsbach** Game and Fish is increasing their fees do you think they can they afford more money for Parks and Rec?

Mark Zimmerman The Game and Fish fund is kind of on a decline right now. They are bumping up to their \$15 Million threshold that the Legislature has set. So that is one reason why we didn't look to increase it at this time.

Senator Krebsbach Perhaps we can review it in two years.

Senator O'Connell leave it open for a while.

Senator Krebsbach # 12, New capital projects. It is short \$300,000. They are listing \$620,000 right? The request in the Executive budget recommended \$3,730,000 right? Parks wanted another \$620,000. Can you tell me what that request was for?

Joe Morrissette \$170,000 for 7 camping cabin that was requested; \$125,000 for a concession building at Lewis and Clark State Park.

Senator Gary Lee Is this \$3.7 that is included is that increased over currently?

Mark Zimmerman: They are one time capital projects, Senator Lee. But in terms of what their current budget has for capital projects, I don't know off hand.

Jesse: Our current capital project is at \$3.9 M plus or minus a few thousand and the that's because the large appropriation for the match for the Graham Valley road is \$2.7 M, the new campground, Grahams Island State Park is in there, and electrical and water upgrade another one of our campgrounds so this is with the additions that we're considering out of the \$600,000 were a couple hundred thousand under the current biennium; or would be.

Senator Krebsbach It is listed in section 5 of the bill \$3.730 of which \$2.9 of General funds and \$600,000 is special funds. They didn't take that out did they?

Becky J. Keller They increased funding for the Frost Fire.

Senator Krebsbach They did not reduce that amount. Whether or not we want to increase for the camping cabins and the concession building, and that jumps to \$295,000 and we're looking at \$620,000 so there is still some other items that you were hoping to obtain.

Senator Gary Lee Is Frost Fire located in this cabin project? **Senator Krebsbach** It is included in the House version of the bill.

Joe Morrisette That \$3.7 M for capital projects that does include the \$800,000, that was in the executive budget for the dock purchase. **Senator Krebsbach** the House took out the \$150,000, is that correct?

Senator Gary Lee The reduction for kit's marina purchase is included in that \$620,000?

Joe Morrisette It is a reduction to the \$3.7 M that is in item 12, where it says executive recommendation includes \$3.7 M.

Becky J. Keller That is the amount that wasn't funded in the Executive Budget.

Senator Krebsbach If you look at the \$3.7 M that's included in there. So, basically your capital projects then would be short about \$2,900,000 without the marina.

Joe Morrisette Counting the House reduction at what they are now after the House version? **Senator Krebsbach** the executive recommended \$3.73 and that didn't change in the House did it?

Becky J. Keller We reduced it by \$350,000 for the marina. **Senator Krebsbach** That has been reduced then, so if we add that back that would increase that figure. **Joe Morrisette** It would increase it back to the \$3.7 that was in the Executive budget.

Senator O'Connell On that piece of property you have, use for feed trails or cross country it was put in for 5 biennium's, wasn't it? How do you work with it, myself?

Brad Our cross country ski groomer up at Lake Metigoshe, one at Turtle River State Park, we've got about 18 miles of ski trail at Metigoshe and about 12 at Turtle River. They are self-propelled enclosed with a drag. It is like a mini version of snow mobile. **Senator O'Connell** How much do they cost? **Brad** replied about \$60,000 apiece. They would be paid by park revenue.

Senator Krebsbach From item 3, would go back into new capital projects.

Senator Krebsbach It was removed. \$450,000 would be included in the \$3.730 M, that total amount there.

Senator Krebsbach # 13 Peace Garden Capital Projects. They were looking for \$4.716 Million which included infrastructure of \$4.416. This is from the testimony from Doug Hevenor, regarding the International Peace Garden # 3 (Testimony #3).

Senator Krebsbach We do have or I visited with Mr. Zimmerman on that, and I am looking here to what the tower construction would be. I can't find a dollar on that. Oh yes, \$500,000 right? There was an additional \$200,000 added from the Governor's budget I believe for it.

Mark Zimmerman Their operations grant that they received from the state was increased by \$200,000. **Senator Krebsbach** That would all go for operations, am I correct on that?

Joe Morissette They would have flexibility on how they used it, but that is the intent I think. It is not earmarked for any particular project it is just to support their operation.

Mark Zimmerman I did call Doug. Repair costs for the Peace Tower are extremely difficult to assess. That's why the Peace Garden was asking for funding to ascertain projected repair costs. He cited engineers tell him that it could cost \$100,000 just to set up a crane on the site just to work on the Peace Tower. Developing Legislative funding would be very similar to what occurred last biennium Doug stated when the Legislature approved \$242,000 that was matched with \$242,000 from the Manitoba Legislature. They did some capital projects there on the conservatory. Doug said if they could have obtained some funding at least to provide a study on what to do with the Peace Tower. I cannot say what the Manitoba Legislature or private donators would do, we've been successful in matching funds by either ND or Manitoba Legislators, this is a repair project they feel could be pushed ahead and one the general public would support. Again, that is all I have from Doug. I know he has expressed his concern in testimony for the condition of the Peace Tower. He has no idea what it would cost to either repair it or take it down and rebuild. He mentioned at one time it would cost millions to rebuild the Peace Tower. In our budget as it passed through item, I feel a little nervous to say I don't much more about it than what Doug has provided me. I know he also had requested of the Legislature for some capital projects on the back of that sheet, \$4.4 Million and that is all I have.

Senator Krebsbach We really had no fore warning on this. Was this in the Governor' requested budget?

Joe Morrisette He asked for some money in addition to what was included for their operations grant for capital projects, but I don't think they mentioned the Peace tower at that time.

Senator Krebsbach What about the infrastructure for the water and sewer?

Mark Zimmerman If you would consider a grant to the Peace Garden to plan for work on the Peace Tower or even the big infrastructure projects, perhaps there could be some consideration that our department at least help, out in some of the planning. Again, I feel inadequate when I come to the committee, and I don't have any background information. Again I can turn to Jesse and Brad, and say what's the equipment, or what's the capital projects? Here with the Peace Garden I just don't feel comfortable to say I don't have that information. I would hope that if the Senate would consider such authorization for funding then maybe there would be some that I may suggest that they work with our department at least in a planning way, so we can get you the information to help make a decision. We are standing on the outside here.

Senator Gary Lee, Did you say something about a study in there?

Mark Zimmerman yes, that is Doug's request at a half of a million dollars was not to actually repair the tower as much as it was to get an Engineering firm like KLJ (Kadrmas, Lee and Jackson) or whoever in there, to give them an idea of what it might be for repair or replacement.

Senator Gary Lee Your suggesting \$500,000 to do that.

Mark Zimmerman replied he had nothing to base that on, he just used a figure.

Senator Krebsbach He indicates now \$6,356,000. The Peace Tower is a land mark, it isn't in safe condition. I think they have it roped off so that people don't even move near it. So it isn't something that absolutely need to be dealt with, but until we have more figures in front of us, and more facts in front of us, it's difficult. I guess the only thing I would say, that I would be willing to take a look at and that is to do something in an engineering study. Then they could come back and give us some type of solid information to go on.

Joe Morrissette They did have \$500,000 for preplanning for the Peace Tower in the budget request and \$4.2 Million for other infrastructure which was originally was broken out. They had \$4.4 on this list, and I am not sure what the difference is but just to correct the record they did have that in there, in the budget requests.

Senator Krebsbach Look at some of that infrastructure projects, broken down into a couple of different sessions so that they could get part of it handled?

Mark Zimmerman I would like to think we would be able to do that, we plan out ahead, if we could share some of our knowledge and staff to help them, and that is essentially what our department does now.

Senator Krebsbach If they have problems in the meantime, where do they go for the money then to fix it. Do they come back to the state?

Joe Morrissette They could, but you know the extent of the state contingency appropriation is not a very deep pool. So, I don't know. They are not really a state agency and I suspect they would have to go and arrange some short term financing to get through the biennium until they could approach the state. That is my thought. **Senator Gary Lee** Joe do they have access to a bank, the North Dakota State Bank?

Mark Zimmerman I know in the past the Peace Garden and the Canadian Government, both the provincial and the federal have been cooperative when they've had a good project.

Joe Morrissette I could visit with Joe Leopold in our office, the State Architect, I don't know if he's familiar at all with anything at the Peace Garden, but he may be would have some input on a reasonable amount to provide for planning for some of those things I if you would like. I can arrange that.

Senator Krebsbach we will have another meeting. Is there anything we have over looked? Mr. Goettle over above, we request your consideration on this referring to the testimony.

Senator Anderson: The Lewis & Clark Interruptive Center, \$3M to help complete their construction project. Of course that is significant for tourism. They have a project under way which they would like our help in. I am in District 8, and they asked me to come to this committee and champion that project. We've visited with Mark Zimmerman about the possibilities, and a budget that you would be amenable to that if you had the answers. The

state does own the property there that Lewis Clark Interpretative Center is on and of course we have a rest area there which they maintain under the agreement with the state.

Senator Krebsbach , Senator Carlisle has an amendment to give to us at this time. **Senator Carlisle** Senator Anderson is correct. Testimony attached # 4. Proposed amendment # 13.8148.03002. Overtures have been made in the House on numerous occasions, the DOT budget or the Commerce Budget. The time is now for the presentation on the amendment listed above and what Senator Anderson is talking about. Director Christianson is here to speak to this committee.

Al Christianson, Director of the Lewis and Clark Foundation. I am here to ask for help in our capital project. We work closely with Parks and Rec throughout the years. This project that we started, we have had some issues the Baaken has driven up the costs, labor, and materials. One other thing happened, the flood delayed our schedule. We also had at the same the Heritage Center, got some of our funding. Again it is a state owed facility, and over the years we have raised \$21M , privately to the \$2.3-\$2.4 M the state has put in, we do operate the rest area 24/7 365 days at the expense of the foundation. We're here to say that we would like you to look at this as an opportunity for us to finish this expansion that we have going on. We have 50,000 visitors from all over the US. Mark sits on our Board of Directors, and we have when we did this capital project, we did get approval from Parks and Rec to move forward and had our money in place for what the project was at that time. The foundation is about 3 times the cost of what we thought.

Senator Krebsbach we understand and thank you for coming in and being persistent on this project.

Senator Krebsbach The frost fire issue we will discuss in the next meeting.

Mark Zimmerman consideration final passage to put the emergency clause back on. That would help us in the construction of some of these projects if that would be possible?

Senator Krebsbach We've made progress. We will meet again on Thursday.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee

Harvest Room, State Capitol

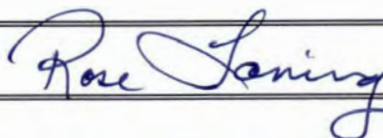
HB 1019 subcommittee

April 5, 2013

Job # 20933

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This is a subcommittee hearing on the Parks & Recreation budget.

Minutes:

Testimony attached # 1 - 5

Legislative Council - Sheila M. Sandness

OMB - Joe Morrissette

Senator Krebsbach opened the subcommittee hearing on HB 1019. **Senator Lee** and **Senator O'Connell** were also present and also Parks and Rec representatives.

Senator Krebsbach handed out amendment 13.8148.03003 - see attached #1. She went over the amendments and covered the changes.

The appraisal of the Harold Brady collection was done by Gary Satern - attached #2.

Mark Zimmerman, Director, ND Parks & Recreation Department, expressed his appreciation for the funding

Senator Krebsbach handed out the Lewis & Clark Interpretive Center funding request - see attached # 3. Also included is Lewis & Clark Info and Audit Report - attached # 4.

Mark Zimmerman asked about emergency clause.

Senator Krebsbach we added emergency for Marina but decided against the L&C Center.

Senator Krebsbach asked about the infrastructure requirements for Peace Garden. They wanted \$4,416,000 and another \$500,000 for the Peace Tower. The subcommittee left in \$2.5M for capital projects and giving them the flexibility to do something with the requests they have. They would have to have a dollar for dollar match from non-state resources which could be through private resources or going through the Canadian province of Manitoba, or the Canadian government.

Discussion on the Harold Brady collection for Fort Lincoln - **Becky J. Keller** said she checked with the State Historical Society about purchasing artifacts and there are no state

laws that apply, but there is federal law and she wants to check with legal staff before she includes it in the final amendment. She wanted to make sure they weren't breaking any federal laws.

Becky J. Keller said if it's against the federal law for the state to purchase the artifacts, then they would have to donate them to the state.

Senator O'Connell had concerns about the marina purchase. It's been run by a single family and he wasn't sure about the management and how much money it was bringing in.

Mark Zimmerman: Handed out 2011 Season Marina Sales/Lease Payment Due - attached # 5 and discussion followed.

Peace Garden Towers -

Joel Leapaldt, State Architect, Facilities Management, OMB, said he thought \$75,000 would be sufficient for the towers at the Peace Garden.

Senator Krebsbach said that if **Mr. Zimmerman** talks with the committee about how to proceed with the study on the towers, we ask that they should talk with Mr. Leapaldt about how to proceed.

Mark Zimmerman asked if they have ample coverage for emergency clause?

Becky J. Keller said it is all emergency except for Lewis & Clark.

Senator O'Connell asked to vote separately on #3 which is the purchase of the marina.

Senator Krebsbach moved voting on all of the amendment except #3.

Senator Gary Lee seconded the motion.

Voice vote carried.

Senator Gary Lee moved Do Pass on the purchase of the marina (#3).

Senator Krebsbach seconded the motion.

Senator Krebsbach - Yes

Senator Gary Lee - Yes

Senator O'Connell - No

Full amendment carried.

Senator Krebsbach said they will wait to hear from the lawyer about the purchase of the artifacts.

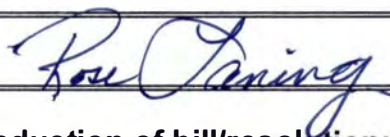
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019
April 9, 2013
Job # 21048

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This is a vote on the Parks & Recreation budget.

Minutes:

Testimony attached # 1

Chairman Holmberg opened the discussion on HB 1019.

Senator Krebsbach handed out and explained amendments 13.8148.03004. The changes are: on page 3, restoring the salaries back and employee compensation back to the governor's budget. The third item is the funding for the purchase of a marina to be restored to the governor's executive budget recommendation. The House had removed \$350,000 from that. This amendment will bring it back to \$800,000.

Written Attachment #1

Senator Robinson: I struggle with the marina. I don't have a better option. If we put \$800,000 in here, we are advertising to the seller that we have that much money and there will be no negotiation.

Senator Krebsbach: I understand your concern. Mr. Zimmerman is working on getting a better appraisal value on it. This is what we need in there to make the negotiation work.

Chairman Holmberg: It is similar to the \$100,000 in the State Historical budget to negotiate to buy the Lawrence Welk Homestead.

Senator O'Connell: My concern was once you put out the figure, everyone knows exactly what you've got. Another concern is that there is a family that is running that now and next biennium they will be back asking for more. Also at Fort Stevenson, they put in a restaurant and that isn't making money yet. I have real concerns about it.

Senator Mathern: Clarification on the Welk comment: There was wording in there to make sure some work gets done. The SHS has some negotiating language.

Senator Krebsbach: When you have a building you have an estimate of what you are going to spend, however you get bids. What we're saying is they cannot go over \$800,000.

The people that own it now are ready to get out of it. The Parks & Rec. feel they are going to make money on that.

Senator Robinson: What comes with the price? Do we have equipment that comes with it or do we have to start equipping it with lawn mowers and the works.

Senator Krebsbach: I am not sure I can answer that but as far as I understand, they have similar likes right around the bend and they could bring that equipment over to use. The slips and docks are in good shape and won't take much to keep up.

Senator Carlisle: They are specialty docks that can withstand huge ice moves up and down. They are unique and very expensive.

Senator O'Connell: Is there a restaurant?

Senator Krebsbach: There is a canteen that they did run and they paid a percentage to the park.

Senator Carlisle: Doesn't believe that it has been run for a while.

Senator Robinson: It's hard to vote on something sight unseen. We're buying something that we haven't seen.

Senator Krebsbach: The Parks and Rec. people are comfortable taking it over.

Senator O'Connell: We asked for a print out of the income for a year and we got a print out of the gross receipts. I was concerned that we weren't getting a good deal. I just didn't think I had enough information.

Senator Krebsbach: They did furnish us with income for the last five years. So we had that in hand when we made the decision.

Senator Krebsbach: The next part is the purchasing of a collection of artifacts priced at \$42,000. There is nothing in law saying that they could not be purchased. So purchasing the collection is in there. Also went over the funding for picnic tables and fire rings. The House took all the funding out and this puts half of it back. She also explained the Community grant program and the expansion of the Lewis & Clark interpretive center and the purchase of property in the Walhalla Gorge and Frost Fire area. Funding added for capital projects at the International Peace Garden available if they raise matching funds.

Senator Krebsbach moved amendments 13.8148.03004.

Senator Gary Lee seconded.

Voice vote: Motion passed.

Senator Krebsbach moved **Do Pass as Amended** on HB 1019.

Senator O'Connell seconded the motion.

A roll call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Krebsbach will carry the bill on the floor.

B
4-9-13
1 of 4

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$235,132	\$2,720,017
Natural resources	12,768,203	9,738,206	22,506,409
Recreation	<u>7,489,091</u>	<u>(1,279,250)</u>	<u>6,209,841</u>
Total all funds	\$22,742,179	\$8,694,088	\$31,436,267
Less estimated income	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Total general fund	\$11,100,647	\$8,543,666	\$19,644,313
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$2,700,000</u>	<u>\$3,473,699</u>
Total general fund	\$773,699	\$2,700,000	\$3,473,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$11,243,666	\$23,118,012
Grand total special funds	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Grand total all funds	\$23,515,878	\$11,394,088	\$34,909,966"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$3,955,300
Parks equipment	116,000	375,000
Lewis and Clark interpretive center grant	0	3,150,000
Little Missouri state park trail leases	85,000	0
Parks SCORP plan	40,000	0
Parks strategic plans	0	100,000
Community grant program	0	600,000
International Peace Garden capital projects	<u>267,000</u>	<u>2,500,000</u>
Total all funds	\$5,777,210	\$10,680,300
Less estimated income	<u>1,028,000</u>	<u>1,282,800</u>
Total general fund	\$4,749,210	\$9,397,500"

Page 3, line 15, replace "\$400,000" with "\$600,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 7. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$2,500,000 from the general fund included in subdivision 2 of section 1 of this Act is for capital projects at the International Peace Garden and is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources.

SECTION 8. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$600,000 is from special funds derived from federal funds and other income, for various capital projects, which is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
International Peace Garden				
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Bill total				
Total all funds	\$28,936,484	\$31,037,080	\$3,872,886	\$34,909,966
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$17,144,649	\$18,597,568	\$4,520,444	\$23,118,012

House Bill No. 1019 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administration	\$2,719,322	\$2,652,000	\$68,017	\$2,720,017
Natural resources	19,234,022	21,256,353	1,250,056	22,506,409
Recreation	6,009,441	5,973,451	236,390	6,209,841
Accrued leave payments		181,577	(181,577)	
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
FTE	55.00	55.00	0.00	55.00

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

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grants Program ⁶
Administration	\$41,260	\$26,757				
Natural resources	290,386	142,170	350,000	42,500	75,000	
Recreation	23,740	12,650				200,000
Accrued leave payments		(181,577)				
Total all funds	\$355,386	\$0	\$350,000	\$42,500	\$75,000	\$200,000
Less estimated income	7,442	0	175,000	0	0	0
General fund	\$347,944	\$0	\$175,000	\$42,500	\$75,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant ⁷	Removes Funding for Walhalla Gorge Property ⁸	Total Senate Changes
Administration			\$68,017
Natural resources	3,150,000	(2,800,000)	1,250,056
Recreation			236,390
Accrued leave payments			(181,577)
Total all funds	\$3,150,000	(\$2,800,000)	\$1,372,886
Less estimated income	0	(830,000)	(647,558)
General fund	\$3,150,000	(\$1,970,000)	\$2,020,444
FTE	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed, and the associated funding returned to line items with salaries and wages funding.

³ Funding removed by the House for purchase of a marina is restored to the executive budget recommendation level.

⁴ Funding is added for purchase of a military artifact collection currently on display at Fort Abraham Lincoln State Park.

⁵ Funding is added for one-time equipment purchases of picnic tables (\$50,000) and fire rings (\$25,000).

⁶ Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$600,000.

⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark interpretive center.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed.

A section is added to provide for an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Peace Garden Capital Projects ¹	Total Senate Changes
International Peace Garden	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	0	0
	\$2,500,000	\$2,500,000

4 of 4

General fund

FTE

0.00

0.00

¹ Funding is added for capital projects at the International Peace Garden.

A section is added requiring funds for capital projects of the International Peace Garden.

Date: 4-9-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1019

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8148.03004

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Krebsbach Seconded By Lee

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote carried

Date: 4.9.13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. H.B. 1019

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Krebsbach Seconded By O'Connell

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Krebsbach

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

REPORT OF STANDING COMMITTEE

HB 1019, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$235,132	\$2,720,017
Natural resources	12,768,203	9,738,206	22,506,409
Recreation	<u>7,489,091</u>	<u>(1,279,250)</u>	<u>6,209,841</u>
Total all funds	\$22,742,179	\$8,694,088	\$31,436,267
Less estimated income	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Total general fund	\$11,100,647	\$8,543,666	\$19,644,313
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$2,700,000</u>	<u>\$3,473,699</u>
Total general fund	\$773,699	\$2,700,000	\$3,473,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$11,243,666	\$23,118,012
Grand total special funds	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Grand total all funds	\$23,515,878	\$11,394,088	\$34,909,966"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$3,955,300
Parks equipment	116,000	375,000
Lewis and Clark interpretive center grant	0	3,150,000
Little Missouri state park trail leases	85,000	0
Parks SCORP plan	40,000	0
Parks strategic plans	0	100,000
Community grant program	0	600,000
International Peace Garden capital projects	<u>267,000</u>	<u>2,500,000</u>
Total all funds	\$5,777,210	\$10,680,300
Less estimated income	<u>1,028,000</u>	<u>1,282,800</u>
Total general fund	\$4,749,210	\$9,397,500"

Page 3, line 15, replace "\$400,000" with "\$600,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 7. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$2,500,000 from the general fund included in subdivision 2 of section 1 of this Act is for capital projects at the International Peace Garden and is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources.

SECTION 8. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$600,000 is from special funds derived from federal funds and other income, for various capital projects, which is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
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International Peace Garden				
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Bill total				
Total all funds	\$28,936,484	\$31,037,080	\$3,872,886	\$34,909,966
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General fund	\$17,144,649	\$18,597,568	\$4,520,444	\$23,118,012

House Bill No. 1019 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administration	\$2,719,322	\$2,652,000	\$68,017	\$2,720,017
Natural resources	19,234,022	21,256,353	1,250,056	22,506,409
Recreation	6,009,441	5,973,451	236,390	6,209,841
Accrued leave payments		181,577	(181,577)	
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Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
FTE	55.00	55.00	0.00	55.00

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

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grants Program ⁶
Administration	\$41,260	\$26,757				
Natural resources	290,386	142,170	350,000	42,500	75,000	
Recreation	23,740	12,650				200,000
Accrued leave payments		(181,577)				
Total all funds	\$355,386	\$0	\$350,000	\$42,500	\$75,000	\$200,000
Less estimated income	7,442	0	175,000	0	0	0
General fund	\$347,944	\$0	\$175,000	\$42,500	\$75,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant ⁷	Removes Funding for Walhalla Gorge Property ⁸	Total Senate Changes
Administration			\$68,017
Natural resources	3,150,000	(2,800,000)	1,250,056
Recreation			236,390
Accrued leave payments			(181,577)
Total all funds	\$3,150,000	(\$2,800,000)	\$1,372,886

Less estimated income	0	(830,000)	(647,558)
General fund	\$3,150,000	(\$1,970,000)	\$2,020,444
FTE	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed, and the associated funding returned to line items with salaries and wages funding.

³ Funding removed by the House for purchase of a marina is restored to the executive budget recommendation level.

⁴ Funding is added for purchase of a military artifact collection currently on display at Fort Abraham Lincoln State Park.

⁵ Funding is added for one-time equipment purchases of picnic tables (\$50,000) and fire rings (\$25,000).

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⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark interpretive center.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed.

A section is added to provide for an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Peace Garden Capital Projects ¹	Total Senate Changes
International Peace Garden	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	0	0
General fund	\$2,500,000	\$2,500,000
FTE	0.00	0.00

¹ Funding is added for capital projects at the International Peace Garden.

A section is added requiring funds for capital projects of the International Peace Garden.

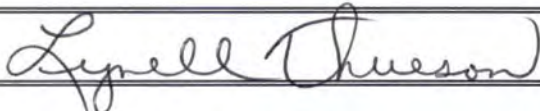
**2013 CONFERENCE COMMITTEE
HB 1019**

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 19, 2013
Job 21350

x Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department.

Minutes:

Attachment 1 and 2.

Chairman Dosch called the committee to order. A quorum was present.

Senator Krebsbach: There were several questions to the Lewis and Clark building.

Chairman Dosch: Could we jump to the Peace Gardens. Explain this a little more.

2:46 Sen. Krebsbach: I don't know if we need to do a lot of studying. There may be some engineering costs but I prefer to see money go towards reconstruction than studying.

Representative Monson: How much was for the fixing of the tower?

Senator Krebsbach: We don't know what the cost of that would be.

Representative Monson: \$500,000 just to do the study for the tower? This doesn't do anything to fix the tower.

Senator Krebsbach: I'm not saying that correctly. It's on that particular document.

8:00 Representative Monson: That sounds like a huge amount of money to do a pre-appropriation. How do we appropriate any money?

Senator Krebsbach: The structure was constructed from 1980-1983. The tower was considerably more.

9:26 Senator O'Connell: I believe they had that in there for a study. The only way the money could be used is if it's matched.

Representative Monson: This was not in the governor's budget at all. Why wasn't it in there?

Joe Morrissette, OMB: It was in the agency's request, but we didn't know at the time the extent of the deterioration of the tower.

11:41 Senator Krebsbach: Joe will continue with that. Mr. Leopold was gracious to offer advice to the Peace Gardens correct?

Morrissette: He did offer that because of his experience in the assessment in the reconditioning of the tower.

12:16 Representative Boe: Was that the tower itself or was that the reflecting pools at the time?

Senator Krebsbach: No, nothing was mentioned. Testimony indicates the cost of reconstructing it.

13:57 Representative Boe: So, it was your hope that it would fix the existing tower?

Senator Krebsbach: The intent was to put it into repairs not studying.

14:54 Representative Monson: We can't do everything. If we have a tower that's falling down, then that is a priority.

16:55 Representative Boe: You have been up and saw the tower? Which side is in worse shape?

Representative Monson: Not since it's gone down. I think it was the south side.

17:30 Chairman Dosch: There is a lot of nuance in this budget. I think we can't pass out a 47% increase. We are going to make a decision on what is the most important thing.

19:34 Senator Krebsbach: If we don't do something now it might cost the state more later.

Chairman Dosch: We saw the budget figures; we've more than spent our surplus which the taxpayers won't be too happy with us. We're still over budget. We have to make decisions and they aren't going to be easy ones.

Chairman Dosch adjourned the meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 20, 2013
Job 21364

Conference Committee

David Hanson

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department.

Minutes:

Chairman Dosch called the committee to order with a quorum present.

Sen. Krebsbach: We feel strongly about the projects that we brought forward. If there is anything else that you want to discuss we are willing to listen.

Chairman Dosch: As we look over the projects. I believe that we will still have to prioritize the projects. I know the House's project, the Walhalla Gorge, was taken out by Senate. I think we need to do something at the International Peace Gardens. Asked what would be appropriate for the Peace Gardens. 3:45

Sen. Krebsbach: I intend to over the weekend to get the cost of the tower, because I think that is a priority. 4:35

Chairman Dosch: If you could get a final from them on the tower and a priority on some of the other infrastructure. They have to realize that they may not get all they want, because this was put in late.

Rep. Boe: Tomorrow I'll go up there and take some pictures of the tower, so we have something to look at when we meet again.

Rep. Monson: I would like to find out about the water and sewer situation. You don't want more water in pipes that are too small or worn out. You have to do them together. This needs to be thought out and planned more. The tower needs to be fixed. 7:19

Sen. Krebsbach: In regard to what their other needs are; they did say that they had completed a water and waste water assessment. 8:20

Chairman Dosch: They have a listing there. Is the water system more of a priority than the sewer or than roads and ditches? If they had to pick one which one would it be?

Sen. Krebsbach: Maybe it is something that needs to be done in conjunction with one another.

Rep. Monson: Read from the last sentence in the letter from Doug. It doesn't sound like it is an immediate concern. We can't do all these projects. 10:45 Just to talk about the Frost Fire issue. Described what the Pembina Gorge has to offer and what Parks and Rec's have responsibilities include. 13:45

Chairman Dosch: Speaking of the Lewis and Clark Center, there is not a lot of support for that. A lot of people think that that expansion should never have gone through without the money in hand and now the state is being asked to pick up the cost. Asked the senators to take a look into that.

Sen. Krebsbach: I hear what you are saying. The Lewis and Clark facility is state owned; Frost Fire is not.

Chairman Dosch: Did that state authorize that addition or do you know who did?

Sen. Krebsbach: I do not.

Rep. Monson: We do not own Frost Fire. The state would have to purchase it. The state owns a lot of land and trails. Game and Fish and Parks and Rec own most of the land the around it. This is for sale and it fits into the piece of that area in the Pembina Gorge. 17:30

Sen. Krebsbach: I think the concerns are they would have to run and manage the ski area and the theater.

Rep. Monson: That would not be the intention at all. The whole operation of that would have to be leased out. 18:45

Chairman Dosch adjourned the committee.

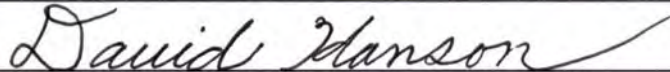
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 23, 2013
Job 21425

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1.

Chairman Dosch called the committee to order with a quorum present.

Chairman Dosch: Let's see if we can come to some agreement on some of these items. The first one is the restoring of the funding for the marina. We would be willing to increase that to \$700,000 subject to an appraisal of the property.

Sen. Krebsbach: That is the amount of money that they need. I think the \$800,000 is the agreed upon price. 2:20

Chairman Dosch: Agreed upon by whom?

Sen. Krebsbach: That was in the governor's budget and I believe that there was an agreement between them and the party that is selling the property.

Sen. Lee: If we are looking for some middle ground...I'm thinking that there was a different number that was probably a part of that assessment in terms of cost as well. I'm thinking \$700,000 may be a reasonable number to consider.

Chairman Dosch: The next item adds funding to military artifacts. We are opposed to that. 1. It wasn't in the governor's budget. 2. We don't want Parks and Rec. to start dealing with artifacts. That's not within their scope.

Rep. Monson: Not only that the state already owns artifacts that are found on state land. 5:15

Sen. Krebsbach: I won't argue that point. I do recall reading through that he built the cases that house the artifacts and he perhaps might be entitled remuneration to that. I'd

like an opinion on that whether they are found on state property that they are state property. 6:00

Chairman Dosch: Moving on to the additional funding for the equipment. That's not in the governor's budget and we think that should come out of the parks normal operating budget.

Sen. Krebsbach: I do want to agree some of this, but it's such a small amount of money that I think it's like pinching pennies so to speak when they could fix fire pits, buy additional tables. I guess it isn't a major point, but I still find it little bit penny pinching.

Sen. O'Connell: Talked about some of the poor conditions of the parks. 7:55

Chairman Dosch: And I understand that, but part of their operating budget is for equipment replacement etc. Moving on to the funding for the community grants program. At this point we'd like to keep it at the governor's budget.

Sen. Krebsbach: In the spirit of compromise, I would like the House to consider adding \$100,000.

Chairman Dosch: We'll give it some thought. 9:30

Chairman Dosch: The next item is the Lewis and Clark funding. My question is the total project cost. Could you explain that?

David Borlaug-President of the Lewis and Clark Fort Mandan Foundation: I was focusing solely on the pure construction component of the overall project. Explained the expenses of the project. This will reimburse us for all of that and pay off the loan. 13:22

Chairman Dosch: I understand that, but when I was looking at the original legislation when this was granted. And now we find out that it is something other than that.

Borlaug: Before the session ended the cost had already gone from \$3 million to 3.5 million. The bidding came within a week before the Minot and Bismarck flood and the Bakken continued to have an affect. 14:35

Rep. Monson: I can understand that you didn't get the bids that you anticipated, but why wouldn't you finish building your building before you spend your match money on things to put into a building that isn't completed yet? It's like building a house and furnishing it without putting a roof on it.

Borlaug: It's all part of the staging of the project. We did a major remodeling, which included the accommodating these new exhibits. We did the interior work first in the winter. So, that's why we started with that process and then moved outside. We ran into groundwater issues. 15:50

Rep. Monson: The procedure for this is you come to budget section and explain this, instead of waiting until crossover to tell us about this. 16:50

Borlaug: I apologize for that. I think at the risk of getting into internal affairs of this body; you know that I did come to present this committee. I'm trying to be delicate about it, but you know that I did have problems with one House member who chose not to become engaged at that time, who has since said that he is supportive, and that is why it did not go through a formal process in the House committee. I feel badly about that, because I wanted to get a full vetting. I wanted it on the public record. But through actions outside of my control, that didn't happen. So, we went to the Senate side where it did get accomplished. 18:26

Rep. Boe: Who was the loan with?

Borlaug: US Bank.

Rep. Boe: And what are the terms?

Borlaug: I think it's a small percentage over prime and it was a fixed rate. It's a five year loan. We had to advise them that we were working this process through the legislature and first loan payment is due August 1st of this year.

Rep. Monson: You run the rest area for DOT, but actually DOT doesn't pay anything. Parks and Rec. contract with you. Do they pay anything?

Borlaug: No. That was the original agreement forged in 1997. 20:30

Rep. Monson: Your foundation has a lease with the state of North Dakota with Parks and Rec. and agreement is you will run this for ninety nine years and you'll take care of all maintenance and operating costs?

Borlaug: Correct.

Rep. Monson: How much does it cost to run this annually?

Borlaug: Stated what his annual budget is. 22:00

Rep. Monson: I talked about the how much it cost to run a rest area.

Chairman Dosch: If you could furnish that information. I'd like to talk about the Peace Gardens for a little bit. We were looking at perhaps putting in a \$1 million with a match with the Canadian government. 24:05

Sen. Krebsbach: I know we have to do something up there. We can discuss that.

Chairman Dosch: Maybe Representative Monson would you talk about the Walhalla issue?

Rep. Monson: Explained the way it was set up. Thought we need a presence up there. 27:50

Sen. Krebsbach: I am referring a message here from the Johnsons. They state the food and the skiing and the theater would be leased to entrepreneurs. Would that mean that they would continue to hold those assets and the state would just be buying the ground?

Rep. Monson: They would not have a presence except maybe to train people that would be running it. They would maybe help with it, but it would be owned by the state and Parks and Rec. would lease it out.


Chairman Dosch adjourned the committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB1019
April 24, 2013
Job 21482

x Conference Committee



Minutes:



Chairman Dosch: Opened the conference committee on HB1019.

Chairman Dosch: We've had several meetings on the House side to come up with something.

1:00 Chairman Dosch: Went through proposed changes.

Senator Krebsbach: At the same time if they're going to have to do an appraisal that money would be coming from this fund.

2:29 Chairman Dosch: The \$750,000.00 is where we're at on that one at this time.

Chairman Dosch continued with the changes.

4:09 Senator Krebsbach: The question came up the other day if items were found on state property; there was the question if this type of requirement was in effect at that time and I wonder if either Council or the OMB had a chance to look at that.

Brittany Reims: I did receive an email and Becky did discuss this with legal staff.

5:15 Chairman Dosch: That's where we're coming up with the \$10,000.00 to justify it.

Chairman Dosch continued with changes.

Senator Krebsbach: We will take it under consideration.

7:16 Senator Krebsbach: The two are unrelated why would you want to intersperse them?

Chairman Dosch: The money would be grant money going to Lewis and Clark and we have to look at the whole picture. If we're going to expand grant money that wasn't previously allocated we have to make some choices.

8:05 Senator Krebsbach: In the spirit of compromise, I would hope you would add \$100,000.00 more.

Chairman Dosch continued with the proposed changes. We are willing to propose that we will, number one, there's no interest in assuming the current \$2 million dollar loan that the foundation has we feel they took out the loan, they made the terms and they are going to be responsible for the servicing of that debt. Number 2, the state would consider would allocate another \$1.1 million dollars which would be the funds that would almost complete the construction. The state would grant those additional dollars to the foundation.

11:56 Senator Krebsbach: This perhaps needs more scrutiny and more work. If they fail to meet that loan the property could be reverted back to the foundation and eventually back to the state.

Chairman Dosch: It is our understanding that that loan is a loan held by US Bank. There's a five year note on that that would give them time in their fundraising efforts to eventually cover that particular loan.

13:01 Chairman Dosch continued with the changes.

13:57 Representative Monson: I had visited with Becky Keller and she hasn't gotten back to me with language. There may be funds available to rent something out in the gorge to better monitor what's going on with the trails.

Chairman Dosch continued with the changes.

18:48 Senator Krebsbach: I believe you're right in dedicating some money to the tower. I want to add that I think we're getting much closer.

Chairman Dosch: Closed the conference committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 25, 2013
Job 21504

Conference Committee

Committee Clerk Signature

David Hanson

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department.

Minutes:

Attachment 1.

Chairman Dosch called the committee to order with a quorum present.

Chairman Dosch: Yesterday I did most of the talking, so I think we'll yield to you.

Sen. Krebsbach: I would like to know what the difference is in the salary package on this bill. You are requiring that there be an appraisal of the Sakakawea project. I think it would behoove us to bring that up to \$800,000, because that appraisal could cost from \$10,000 to \$40,000. 1:50

Chairman Dosch: You can get a house appraisal for \$700-800 these days. I can't imagine that will cost more than a few thousand dollars.

Sen. Krebsbach: If I recall I think it was more than just a normal appraisal; it had more added to it.

Chairman Dosch: It would be just a normal appraisal by a certified appraiser and someone that does marine type appraisals.

Sen. Krebsbach: Maybe we can have the wording that has the money plus the appraisal cost included in it. You had offered \$10,000 for the cabinets for the artifacts. I believe there was going to be some discussion between the party that owns them with Parks and Rec.

Mark Zimmerman-Director of ND Parks and Recreation: We attempted to contact the daughter yesterday afternoon and we were unsuccessful. I regret to say that I don't have any more information than what I had yesterday.

Chairman Dosch: Are you going to continue to try to contact them?

Zimmerman: We will. I know that the family has expressed that was the appraised price. But I'll certainly ask them to reconsider. 4:20

Sen. Krebsbach: Listed the picnic tables and the rings, the community grants program, the Lewis and Clark Interpretive Center, Walhalla Gorge and Frost Fire; gave the House and Senate differences; and suggested what she would like the House to change. 7:00

Chairman Dosch: The biggest difference is on the Lewis and Clark one. I would ask the Senate to take a look at that. It's not the obligation of the state. It did its part. It's a bad precedence to take taxpayer dollars to pay off the debt of foundations. I'm not even sure that legally we can do that. 8:20

Sen. Krebsbach: Under a normal foundation; I would say that you are right. This does, however, exist on land owned by the state as does the building also.

Rep. Monson: I just got the wording from Becky Keller that we had discussed. See attachment 1. That is what I had in mind. Foundations are supposed to privately raise money; they are not funded by the state. 11:35

Sen. Krebsbach: I can't answer for all that has happened in the past. All I know is that we have a situation that needs to be remedied from this point forward.

Chairman Dosch: As we look at all of these budgets, as this budget came to us from the Senate, this was a 39% increase in the General Fund. We need to do something with that.

Chairman Dosch asked if there was anything else the committee wished to address. Seeing none he adjourned the committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 26, 2013
Job 21565

Conference Committee

Jocelyn Gallagher

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; to provide an exemption; and to declare an emergency.

Minutes:

Chairman Dosch: Reconvene HB 1019. Rep. Grande is sitting in for Rep. Monson. All present.

Sen. Krebsbach: Called on Mr. Zimmerman to give an update on the artifacts.

Mark Zimmerman, Director of ND Parks and Recreation: (1:20) Gave update on the collection of artifacts. When I mentioned the amount being considered under conference committee, she said that would not be acceptable to the family. I asked her if she would consider that we withdraw that amendment from the bill and not consider any payment either for the collection or case work as earlier discussed, she felt that was fine. They want to sell pieces individually. If the committee would be in agreement to drop that amendment completely that would be my recommendation.

Sen. Krebsbach: In view of that I would move that we drop item number 4 from the bill.

Chairman Dosch: Do you want that as a separate motion or part of the much bigger one? Separate one, ok.

Chairman Dosch: We have a motion by Sen. Krebsach to delete item number 4 as far as the request for the military artifacts collection in the amount of \$42,500. Second by Sen. Lee.

Voice vote, that item is out.

Sen. Krebsbach: Can we start from the top, the marina, I think we can agree the 750 figure if we can add in the cost of the appraisal.

Chairman Dosch: When you say the cost of the appraisal to be paid by who or what?

Sen. Krebsbach: These funds.

Chairman Dosch: The cost of the appraisal would be taken from the 750,000 dollars.

Sen. Krebsbach: In addition to the 750. Personally I would like to just move it up to 800 and that would include the appraisal. That would be the simplest.

Chairman Dosch: The only problem is we don't know the cost of the appraisals so it's kind of hard to appropriate if we don't know the cost. I would be willing to do is add 5000 and go up to 755,000 on the marina and call it good. We would want the parks and rec. to obtain that appraisal though and it would be done by certified appraisers to be fair to both parties involved.

Sen. Krebsbach: They probably will have to go out of state to get an appraisal for this type of equipment. It is not a normal dock and I don't know of anyone in state that sells that type of equipment.

Rep. Boe: They do in Dickinson.

Chairman Dosch: Are we agreeable to 755,000, which include cost of the appraisal?

Sen. Krebsbach: I really don't have any idea what that appraisal would cost. Does anyone in the audience know?

Mark Zimmerman: (6:30) \$5000 would not be sufficient. Just to have someone come from MN would cost \$5000 to come and look at it. I went online and looked at other states for appraisers and we could be looking at 10,000- 15,000 to get someone here to do an appraisal. But for a business appraisal it would run perhaps a \$1000.

Sen. Krebsbach: I know we're looking at the full 8 and you look at 750, would you be willing to compromise to 775, we each go 25 and get this resolved.

Chairman Dosch: In the spirit of compromise we would be willing to do that. Again it needs to be reflected that the Parks and Rec. would be responsible for obtaining that appraisal and the 775,000 dollars, subject to the appraisal will be the maximum price. The appraisal has to at least appraise out at that dollar amount. Is that to everyone's understanding?

Rep. Boe: It has to appraise out at what value?

Chairman Dosch: It cannot be purchased more than 775,000 less the cost of the appraisal. If the appraisal is 10,000 it would have to come in at least 765,000 dollars.

Sen. O'Connell: If the appraiser comes in at 900,000 what do we do?

Chairman Dosch: We won't be buying it then.

Sen. Krebsbach: I have a feeling it will come in for more than 8.

Chairman Dosch: The code does require state to get appraisals on any property it acquires, we have to do it.

Sen. Krebsbach: I'm wondering if he should hold out for 800 thousand, would it be possible to have wording to allow them to go up to 800 thousand if there were other funds available?

Chairman Dosch: This was the amount it was felt it could be worked at.

Sen. Krebsbach: That would be the amount taken from general fund but could they have authorities to go greater than that?

Rep. Boe: This is all special funds already, or is this general fund?

Chairman Dosch: General funds, over and above the parks operating budget.

Joe Morrisette, LC: In relation to the last item, it was initially split 50/50 between special and general funds. That would be a point of clarification for Becky in the amendment what the source of funding would be of the 775. In response to Sen. Krebsbach question, unless you put some language in that would limit them, they could go to the emergency commission and get authority to spend beyond the appropriation and reallocate from somewhere else within their budget. Unless you put some language in that says they absolutely cannot go above the 775, I think they could go to the emergency commission.

Chairman Dosch: That would be an avenue to pursue if it would come above that. If that's how it was in the original funding model half and half I believe we should stick with that. Do you want to make a motion on that Senator?

Sen. Krebsbach: If you want to otherwise if we agree that the 775, which would include the appraisal, because I believe the owner has agreed to allow the appraisal to be included in the price. However I think he was still looking at the 800 figure so that's why I would like to see it not restricted from the state that that's all that is paid for it, let them have allowance on the extra 25,000.

Rep. Grande: I think going to 775 should be ample and if they do come in with this higher appraisal they do have the avenue of the emergency commission so let's just go that route.

Sen. Krebsbach: You are right on where I want to be.

Chairman Dosch: Is that a motion?

Sen. O'Connell: Will this language in here, if they went to the emergency commission there would be no more than 800 thousand regardless, that's where we're at.

Chairman Dosch: Joe, do we need that language in there or not?

Joe Morrisette: If the intent was to restrict them to in circumstance to pay more than 800 thousand you probably would need that language. Otherwise if the appraisal came in at

825 and they could find flexibility in their budget they could go to the emergency commission and ask for authority at that time to use the 775 minus the appraisal plus some other monies. That would be possible unless it's your intent to restrict them then you would need language to do that.

Chairman Dosch: Our intent that they could not go above 800,000. I don't want to box in Parks and Rec. If it goes beyond that I think the state would have no interest in it and he could sell it to whomever as he can now.

Chairman Dosch: That would be the intent that it must appraise out and if it exceeds 775,000 then it must go to the emergency commission, however the maximum would be 800,000 dollars. We have that motion moved by Sen. Krebsbach, second by Sen. Lee.

Voice vote, motion pass.

Chairman Dosch: Moving onto the additional equipment funding, Senate was at 75,000, the house agreed at 50,000 and if everyone is ok with that, I would entertain a motion. We would be reducing that 75,000 to the 50.

Sen. O'Connell: Made motion, second by Rep. Boe

Voice vote, motion passes

Sen. Krebsbach: The wording will be left for picnic tables and fire rings, correct?

Chairman Dosch: Yes, and they have the option.

Chairman Dosch: Community grant program, talked amounts decided to come back to that one.

Chairman Dosch: (17:54) Pembina gorge, Rep. Monson had something he asked us to consider, the house.....we would like the 300,000 dollars put in as per the amendment from Rep. Monson.

Sen. Krebsbach: I support the 300,000 but we would like a wording change on that, in the area where it's rental space, if we could strike that and put Pembina Gorge Area Project, just add project after area. That would be the only change we would ask on that.

Chairman Dosch: What were you striking out?

Sen. Krebsbach: The first three words, rental space in the title.

Chairman Dosch: I have no problem with that.

Rep. Grande: I move the Monson amendment. Sen. Krebsbach seconds it with the change we recommended.

Sen. Lee: (20:17) I'm not going to support this amendment.....I don't think it's a good idea for the state to purchase or lease this space.

Chairman Dosch: We dropped the purchase idea.

Sen. Lee: I don't know that they are interested in going up there and renting a space, they haven't expressed that to my knowledge. I'm not going to support this.

Chairman Dosch: There's nothing that requires it, it makes those funds available to parks and rec. They may use it or choose not to. Intent if not use for Pembina Gorge area that the money would be returned to the general fund.

Roll vote on Monson amendment, 4-2-0 Motion fails.

Chairman Dosch: Lewis and Clark Interpretive Center, Senate added 3.1 million, the House is at 1.1 up from 0. Any comments from the Senate?

Sen. Krebsbach: Is there any room for movement on the house side on this?

Chairman Dosch: (23:20) That was our best offer. We are firm at 1.1 million to complete the construction.

Rep. Grande: I move 1.1 on that line. Second Rep. Boe.

Take roll vote on Lewis and Clark Interpretive center 3-3-0 Motion fails

Chairman Dosch: (27:05) International Peace Gardens, Senate was at 2.5, the house was willing to go up to 1 million dollars. This item was not in the Governor's budget. We understand there are some needs, any comments from Senate?

Sen. Krebsbach: I would like to see 1.5 million, that would give them three million with their matching funds to start doing some of the work that needs to be done.

Chairman Dosch: Is that a motion?

Sen. Krebsbach: Yes, I would move that we move that to 1.5. Second by Sen. O'Connell.

Roll vote, International Peace Gardens, 4-2-0 Motion fails.

Chairman Dosch: That is about it; fortunately we can't wrap this up. Next proposal I would say there will be no funding for Lewis and Clark Interpretive Center unfortunately. The house has been more than reasonable.

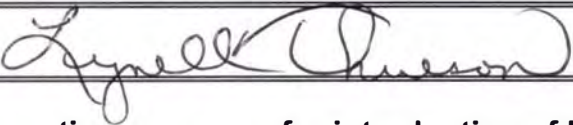
Chairman Dosch: Recessed

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
4/27/13
Job 21580

Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; to provide an exemption; and to declare an emergency.

Minutes:

Attachment 1

Representative Dosch: Called the conference committee to order and all members were present. Anyone have anything new to add?

Senator Krebsbach: Perhaps we should look at what we have left to do.

Representative Dosch: My records indicate we've taken care of the marina issue and artifacts; we've agreed on taking out the equipment additional funding; we've not agreed on the community grants, the Walhalla Gorge, we have to vote on that amendment, and there's the International Peace Gardens. As of our last meeting, I took the offer of Lewis & Clark off the table. That's where we are at.

2:08 Senator Krebsbach: On the community grants, I had asked you to consider \$100,000. Has there been given any thought to that?

Representative Monson: I was doing some quick math; when we started here, we were \$9M different. So far, the House really hasn't gotten anything back, and we've moved up \$2-3M.

Representative Dosch: My thought is that unless we can resolve some of these other issues, then we can come back to the grants line, because I think that will play on how some of these other issues pan out.

4:03 Senator Krebsbach: We've got about 3-4 issues here. I'm not going to let item 6, the grant, hold us up forever. But if you want to take care of the other things first that's fine. When I look at the whole thing, the House has really made some considerable changes from the governor's budget. The executive budget was at \$17M, our version came up to \$23M and you were at \$18M at that point. I think the biggest dollars of difference there was the Lewis & Clark funding. I think that is something that should be considered. With the

frost fire, we are willing to look at the funding there. In addition looking at adding a few more dollars than your \$1M that you are coming up on the Peace Gardens.

Representative Monson: The \$2.5M in Peace Gardens was a pretty big difference, too. What are you proposing here?

6:23 Senator Krebsbach: Move to \$1.25M on Peace Gardens if the house would consider that.

Representative Dosch: I would say we have to look at this as a package deal at this point. What is the next item?

Senator Krebsbach: I guess before we go any further, I would like to know if the House is going to reconsider doing anything in the Lewis & Clark program?

8:02 Representative Monson: We've talked with a lot of our colleagues, and we are pretty much at the limit there. That finishes the construction; the state will be kicking in \$2.6M. I'm not saying two years from now, if they are still struggling that we wouldn't consider where they're at and their loan payments/fundraising. That \$1.1M will get the building completed, give them a little breathing room, and we can look at it again in two years. That's my opinion, and what I've been hearing.

Representative Dosch: Friday that's the point I was at, too. If we want to put that back on the table, we'll look at it as the entire package, but it would have to be the \$1.1M.

Representative Monson: \$1.25M on the Peace Gardens is half of it, you would put in \$2.5M, I think we need to keep that kind of language in there. Something might get started next fall.

10:36 Senator Krebsbach: My wish is that they could get some studies done as to what they're looking at for the repair of the tower. I hope that can be done as soon as we adjourn. If we have the emergency clause or keep that on there as it is right now.

Representative Monson: I would move we do \$1.25M at the Peace Gardens with our language that says they have to get the match, we give them 10% or something, and along with that the frost fire would be part of the package.
Withdraw motion.

12:23 Senator Krebsbach: In the amendments I have proposed before, there is in section 7 contingent funding for the International Peace Garden project at the \$2.5M figure.

Representative Dosch: I have language see attachment 1.

14:35 Senator Krebsbach: I can agree with that, but in the next sentence you're asking for an additional 5% coming from other sources. Would that mean that they'd have to have that before this engineering could be done?

Representative Dosch: I wouldn't have a problem saying that there would be no matching on the engineering part and up to 10% can be accessed right away.

Senator Krebsbach: Alright, that seems very reasonable. I would like to see the amount change to \$1.125M. The other thing is money coming from the Province of Manitoba. Perhaps that should be added.

Representative Dosch: Shall we just say the Canadian government, not specific to just Manitoba?

16:00 Senator O'Connell: They also have a lot of community donors too.

Representative Dosch: Or private funds.

Representative Boe: Doesn't non-state sources cover it?

Senator Krebsbach: I think you're absolutely right.

16:31 Representative Dosch: So dollar-for-dollar matches to be obtained from other non-state sources, I think that is general enough. So the understanding is that these particular funds as well as the matching funds will be held at the Parks & Rec, who will be assisting with the bidding, construction over site repair work, etc. Those funds would be dispersed through them. We want to keep better control over these, and Parks & Rec has indicated their willingness to do this.

18:02 Senator Krebsbach: If there is additional dollars left over, can they utilize it in other necessary areas?

Representative Dosch: That would be the intent. I hope they don't use all this money on the towers, they'll be able to get that done considerably less and then the Parks & Rec would work with them to see what their next priority is.

Representative Monson: That's exactly what I was going to say. This is going to Parks & Rec, who will help them devise a plan and if there's left over money, they could start on another part that is needed.

19:11 Joe Morrisette, OMB: Since you would be referencing \$1.125M in this language you may want to change that language. You might want to add after gardens and other infrastructure improvements so it is clear that the \$1.125M is not earmarked solely for the peace tower.

Representative Dosch: That's a good suggestion, with the understanding that the peace tower is our first priority. That is the main safety issue there. Just so that is understood by what our legislative intent is by doing this.

Senator Krebsbach: I think that has been annotated in the documentation from the director there that it is their main intent. I don't think Representative Monson realizes we pulled out #4 completely on Friday.

Representative Monson: Yes, I was informed of that. I'm okay with that.

21:40 Senator Krebsbach: There has been a suggestion that the frost fire funding be at \$200,000 rather than \$300,000, but the other day we had a motion and I supported the \$300,000. I think we're down to about 3 items here.

22:38 Representative Dosch: Am I assuming then that if we put the \$1.1M for Lewis & Clark on the table that would be acceptable for part of this package?

Senator Krebsbach: I would really like to give this a little bit more time. I think there are other workings going on at this particular time on an agreed figure on a number of these things.

Representative Dosch: You're referring to which of the items?

Senator Krebsbach: The Lewis & Clark Interpretive center, and the Frost Fire Walhalla Gorge project.

Representative Dosch: Well, you know where we are at. I'll put \$1.1M back out there on Lewis & Clark, \$1.25M on the Peace Gardens; we need to talk about Pembina Gorge; we'd like to stay at \$300,000 on that. I still have an issue on the \$100,000 grants, especially if we're going up on the Peace Garden. But if we agree on everything else, we could compromise on that too.

So, is the feeling to meet once more on Monday? We'll reconvene on Monday.

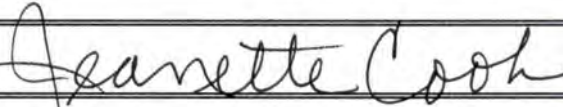
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB1019
April 29, 2013
Job # 21597

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; to provide an exemption; and to declare an emergency.

Minutes:

Chairman Dosch: Opened the conference committee on HB1019. All members were present.

Senator Krebsbach: We had put one item to bed but something has come up. New information has come forth on item number four, for funding military artifacts for the Fort Abraham Lincoln Park. Mr. Zimmerman, the park director, has received some information that I would like him to share with the committee.

Mark Zimmerman, Director, ND Parks and Recreation: I've come to the conference committee to report on my conversation with Pat Hager, the daughter of Mr. Harold Brady, who had collected these artifacts from Fort Abraham Lincoln. Mrs. Brady said that she and her brother had visited with her father, and he would not like to see the collection put out on a social media sale. He would like to accept the \$10,000 offer given by the conference committee. He feels strongly that the collection should stay together. He asked that we reconsider. I told them that the item had been removed, but that I would visit with the committee and ask for reconsideration.

Senator Krebsbach: In view that new information has been brought forward. I would make a motion to add \$10,000.00 for the cabinetry that has been provided by the Brady family.

Senator O'Connell seconded the motion.

Chairman Dosch: I was looking at taking this as an entire package.

Senator Krebsbach: Withdrew her motion.

Senator O'Connell: Withdrew his second.

Chairman Dosch: As far as the package, last time we still had a difference of \$100,000 on the community grants program. I indicated that we would bring back and reconsider \$1.1 million for the Lewis and Clark. For the Peace Gardens we looked at \$1,250,000 as a package. We also discussed Frost Fire at \$300,000. If we could agree on all of that, we could end this.

Senator Krebsbach: I hear there is some discussion to move the Lewis and Clark up from the \$1.15 million, and I am wondering if there is any interest in doing so.

Chairman Dosch: I would be amenable to moving the \$100,000 difference in the community grants to Lewis and Clark to make that \$1.2 million. If you would want to move any portion (\$50,000 or whatever) from the International Peace Gardens over to Lewis and Clark, we could look at doing that as well.

Senator Krebsbach: I believe that the Senate has come down quite a bit on the Peace Gardens. We were at \$2.5, and we have come down quite a bit. The need is definitely there for that at the \$2.5 value. I am not willing to concede any more on that.

Chairman Dosch: None of that was in the governor's budget, nor was it presented on the House side. I look at it that we've come up \$1.25 million.

Senator Krebsbach: You're correct. But when the information came to us, we felt very strongly that that should be attended to at this time.

Chairman Dosch: I agree. By allowing for the match, that's going to get them over \$2 million to do things up there. If you (the Senate) don't want to move anything out of the Peace Gardens, keeping it at \$1,250,000, I am fine with that. If you want to move \$100,000 from the grant line to Lewis and Clark, I'm fine with that. It is up to the Senate.

Senator Krebsbach: At this time I'm not willing to give that \$100,000.00 away. We've put in \$200,000, and I've agreed to come down to \$100,000.00 on that addition. I think we need to explore things further before we do anything.

Chairman Dosch: I want to remind you that none of this was in the governor's budget.

Representative Monson: The community grants, what exactly are they used for, who gets them, and what is the purpose?

Senator Krebsbach: Those grants are given out to local park districts across the state. I think the majority of them are given to the smaller park districts that don't have the funding sources. The needs might be to maintain a swimming pool, new playground equipment, etc.

Representative Monson: I would rather spend \$100,000.00 in that spot instead of Lewis and Clark.

Senator O'Connell: It's up to us to balance the budget out at the end. We have different bills on the table right now, and they are waiting to see what we have to come up with. Isn't that what is happening?

Chairman Dosch: I would agree.

Representative Monson: Where are our differences? We are at a standstill.

Senator Krebsbach: I think it's time for a little honesty. We hear that there is supposed to be more money put into the Lewis and Clark, and at this time the committee isn't agreeing or the word isn't getting to the proper people.

Representative Monson: What is the number you're thinking?

Senator Krebsbach: It's not my number; it is more or less what has been agreed upon by certain parties.

Representative Monson: What's the number?

Senator Krebsbach: The latest I've heard is \$1.6 million. Earlier today I heard \$1.8 million. I think the House should go and figure out where we are at on this project.

Chairman Dosch: That's why the compromise would be to put the extra grant money into Lewis and Clark and bring that up to at least \$1.2 million. But the Senate isn't interested in increasing Lewis and Clark.

Senator Krebsbach: I suppose we could take from a lot of different places if that's what we're looking at. I don't see that as a solution when we are dealing with issues that need to be dealt with. I think we have to responsibly act to all of them.

Chairman Dosch adjourned the conference committee.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Roughrider Room, State Capitol

HB 1019
April 29, 2013
21605

Conference Committee

Minutes

Minutes:

“attached testimony.”

Rep. Dosch: We will open the conference meeting on HB 1019.

Senator Krebsbach: I move that the senate recede from its amendment and that we further amend HB 1019 to reflect the following: add back in the \$10,000 for the cabinets for the artifacts at Fort Abraham Lincoln and on item number 5 for the one time equipment purchases we would reduce that to \$50,000.

Rep. Dosch: The \$10,000 for the cabinets; is that with the understanding that the artifacts would be donated to the Parks and Rec?

Senator Krebsbach: They would remain at the fort. In item number 6 the Senate was looking for \$600,000 we would settle there for \$500,000 for the grants program for the parks.

Rep. Dosch: Would that be changing the \$200,000 increase to \$1000,000?

Senator Krebsbach: That is correct. It would go from the executive recommendation of \$400,000 to \$500,000. In the true spirit of compromise we would do the one time grant for expansion at the Lewis and Clark Interpretive Center to 1.35 million dollars.

Rep. Dosch: Are those funds held and disbursed by the Parks and Rec. for completion for the center?

Senator Krebsbach: I am not sure about the wording in that, I think they would be held in the Parks and Rec budget for disbursement to the fort upon the receipts of the dollars to be spent. If we are ready to move on we would move the adoption of the \$300,000 for the Pembina Gorge area. The other day they approved the change of wording from your amendments rather than rental space to the Pembina Gorge Area Project. Then we added a section to provide an emergency clause for various capital projects especially for the International Peace Gardens which we would recommend or move that we adopt a 1.25 million dollar budget for that.

Rep. Dosch: We did have some verbiage on that.

Senator Krebsbach: It is predicated on matching funds also.

Rep. Dosch: The verbiage that we had includes the \$1,250,000 for the engineering study and repair of the Peace Towers at the International Peace Gardens contingent on the dollar for dollar match to be obtained from other non-state sources.

Senator Krebsbach: We want this money to be a high priority. If there should be an emergency that needs attention immediately and they aren't utilizing it for the Peace Tower could we have some flexibility for them to take care of those minor things?

Rep. Dosch: That depends on the definition of "minor" We also said that 10% if those funds could be used and disbursed immediately for the engineering study before any of the other funds are matched so that they can get on that project.

Senator Krebsbach: That would give them a little more flexibility for them to utilize it.

Rep. Dosch: 10% would give them \$125,000; normally emergencies are handled out of the normal operating budget. Would that money be shifted there? The primary purpose of this was presented to us was for the purpose of the Peace Towers.

Senator Krebsbach: If had put in five million dollars to be matched and then we were looking at both the tower and the other repairs that were needed.

The Peace Tower was built in 1980 and it was built at a cost of 1.35 million and if it were to be replaced today it would be 6 million three hundred and fifty six thousand dollars.
If you want all of this money to go towards the Peace Tower there would be a matching part of this that perhaps some of that could be used.

Rep. Dosch: We are talking about the 10% of the cost so that they could immediately get the engineering study done. The primary purpose being that of the Peace Gardens with anything left over that is not needed to repair that Peace Towers can be used based on the Parks and Rec analysis so that money is available to do that work.

Senator Krebsbach: That is very agreeable. That concludes the changes that are being recommended at this time. I move adoption of such and the salaries that need to be taken care of. The three areas that we need to take care of and we are going to put in the agree to compensation package and then we will make sure that the separate line item for accrued leave is included in there.

Rep. Dosch: we have also adopted and dealt with the marina.

Senator Krebsbach: I am showing that we are going to allow seven hundred seventy five thousand dollars for the marina. We are also going to include language that they can go to the emergency commission for additional funding up to eight hundred thirty thousand dollars and funding is for a certified appraisal.

Rep. Dosch: I thought it was eight hundred thousand.

Senator Krebsbach: It was eight hundred thousand including the appraisal for the authority.

Rep. Dosch: Does the marina have to be part of this motion?

Senator Krebsbach: We know what the amendments are supposed to say.

Rep. Dosch: We have a motion and a second by Senator O'Connell.

Yes 5 No 0 Absent 0

VR
 5/11/13
 104

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1454-1457 of the House Journal and pages 1257-1260 of the Senate Journal and that Reengrossed House Bill No. 1019 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	<u>11,641,532</u>	<u>359,199</u>	<u>12,000,731</u>
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$1,450,000</u>	<u>\$2,223,699</u>
Total general fund	\$773,699	\$1,450,000	\$2,223,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	<u>11,641,532</u>	<u>359,199</u>	<u>12,000,731</u>
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210		\$3,897,800
Parks equipment	116,000		350,000
Lewis and Clark interpretive center grant	0		1,350,000
Little Missouri state park trail leases	85,000		0
Parks SCORP plan	40,000		0
Parks strategic plans	0		100,000
Community grant program	0		500,000
International Peace Garden capital projects	<u>267,000</u>		<u>1,250,000</u>
Total all funds	\$5,777,210		\$7,447,800
Less estimated income	<u>1,028,000</u>		<u>1,270,300</u>
Total general fund	\$4,749,210		\$6,177,500"

Page 3, line 15, replace "\$400,000" with "\$500,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

2484

"SECTION 7. MARINA PURCHASE - APPRAISAL - EMERGENCY COMMISSION APPROVAL. The natural resources line item in subdivision 1 of section 1 of this Act includes \$387,500 from the general fund and \$387,500 from other funds for the purchase of a marina. The parks and recreation department must obtain an appraisal from a certified appraiser prior to the purchase of the marina. If the appraisal value exceeds \$775,000, the department may request emergency commission approval to spend an additional \$25,000 of other funds for the marina.

SECTION 8. PEMBINA GORGE AREA PROJECT. The natural resources line item in subdivision 1 of section 1 of this Act includes \$300,000 from the general fund which the parks and recreation department may use to rent property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

SECTION 9. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$1,250,000 from the general fund included in subdivision 2 of section 1 of this Act is for an engineering study and repair of the peace tower at the International Peace Garden and to the extent funds remain, other infrastructure improvements. The funding is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources. Up to ten percent of the funds provided from the general fund are for the engineering study and emergency repairs and are not subject to the match requirement. The parks and recreation department shall accept and review engineering proposals and recommendations of the study before committing additional funds to the project and shall assist with bidding and construction oversight of any repair work.

SECTION 10. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$800,000 is from special funds derived from federal funds and other income for various capital projects, and subdivision 2 of section 1 of this Act includes \$125,000 from the general fund for an engineering study of the peace tower and emergency repairs at the International Peace Garden, which are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Parks and Recreation Department						
Total all funds	\$27,962,785	\$30,063,381	(\$479,011)	\$29,584,370	\$31,436,267	(\$1,851,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$16,170,950	\$17,623,869	\$184,770	\$17,808,639	\$19,644,313	(\$1,835,674)
International Peace Garden						
Total all funds	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Less estimated income	0	0	0	0	0	0
General fund	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Bill total						
Total all funds	\$28,936,484	\$31,037,080	\$770,989	\$31,808,069	\$34,909,966	(\$3,101,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$17,144,649	\$18,597,568	\$1,434,770	\$20,032,338	\$23,118,012	(\$3,085,674)

3084

House Bill No. 1019 - Parks and Recreation Department - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Administration	\$2,719,322	\$2,652,000	\$21,593	\$2,673,593	\$2,720,017	(\$46,424)
Natural resources	19,234,022	21,256,353	(613,028)	20,643,325	22,506,409	(1,863,084)
Recreation	6,009,441	5,973,451	112,424	6,085,875	6,209,841	(123,966)
Accrued leave payments		181,577		181,577		181,577
Total all funds	\$27,962,785	\$30,063,381	(\$479,011)	\$29,584,370	\$31,436,267	(\$1,851,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$16,170,950	\$17,623,869	\$184,770	\$17,808,639	\$19,644,313	(\$1,835,674)
FTE	55.00	55.00	0.00	55.00	55.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grant Program ⁶
Administration	\$41,260	(\$19,667)				
Natural resources	290,386	(138,414)	325,000	10,000	50,000	
Recreation	23,740	(11,316)				100,000
Accrued leave payments						
Total all funds	\$355,386	(\$169,397)	\$325,000	\$10,000	\$50,000	\$100,000
Less estimated income	7,442	(3,723)	162,500	0	0	0
General fund	\$347,944	(\$165,674)	\$162,500	\$10,000	\$50,000	\$100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant ⁷	Removes Funding for Walhalla Gorge Property ⁸	Adds Funding for Pembina Gorge Area Project ⁹	Total Conference Committee Changes
Administration				\$21,593
Natural resources	1,350,000	(2,800,000)	300,000	(613,028)
Recreation				112,424
Accrued leave payments				
Total all funds	\$1,350,000	(\$2,800,000)	\$300,000	(\$479,011)
Less estimated income	0	(830,000)	0	(663,781)
General fund	\$1,350,000	(\$1,970,000)	\$300,000	\$184,770
FTE	0.00	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ Funding removed by the House for purchase of a marina is partially restored. The executive budget and the Senate version included \$800,000 for the purchase of the marina.

⁴ Funding is added to purchase cabinetry to house a military artifact collection on display at Fort Abraham Lincoln State Park. The artifact collection will be donated to the Parks and Recreation Department. The Senate version included \$42,500 for purchase of the cabinetry and collection.

⁵ Funding is added for one-time equipment purchases of picnic tables and fire rings. The Senate version added \$75,000 for this purpose.

⁶ Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$500,000. The Senate version included an increase of \$200,000.

⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark Interpretive Center. The Senate version included \$3,150,000 for this purpose.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed, the same as the Senate version.

⁹ Funding is added to rent property in the Pembina Gorge area for office space.

Sections are added to provide guidelines for the Pembina Gorge area project and an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
International Peace Garden	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Total all funds	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Less estimated income	0	0	0	0	0	0
General fund	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 751 - International Peace Garden - Detail of Conference Committee Changes

	Adds Funding for Peace Garden Capital Projects ¹	Total Conference Committee Changes
International Peace Garden	\$1,250,000	\$1,250,000
Total all funds	\$1,250,000	\$1,250,000
Less estimated income	0	0
General fund	\$1,250,000	\$1,250,000
FTE	0.00	0.00

¹ Funding is added for capital projects at the International Peace Garden. The Senate version included \$2.5 million for this purpose.

A section is added requiring matching funds for capital projects of the International Peace Garden.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: 26 Apr 13

Roll Call Vote #: _____

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Krebsbach Seconded by: Sen. Lee

Representatives	Y	N	A	Yes	No		Senators	Y	N	A	Yes	No
Chairman Mark Dosch	1						Senator Karen Krebsbach	1				
Rep. David Monson <i>Ab</i>							Senator Gary Lee	1				
Rep. Tracy Boe	1						Senator David O'Connell	1				
<i>Rep Grande</i>	1											

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Voice Vote

to delete item number 4, the request for the military artifacts collection in the amount of \$42,500. Passed item out

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: _____

Roll Call Vote #: _____

Action Taken

- HOUSE accede to Senate amendments
- HOUSE accede to Senate amendments and further amend
- SENATE recede from Senate amendments
- SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Krebsbach Seconded by: Sen. Lee

Representatives				Yes	No	Senators				Yes	No
Chairman Mark Dosch						Senator Karen Krebsbach					
Rep. David Monson	<u>Ab</u>					Senator Gary Lee					
Rep. Tracy Boe						Senator David O'Connell					
<u>Rep Grande</u>											

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

175,000 for marina to include appraisal.
voice vote motion passed.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: _____

Roll Call Vote #: _____

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. O'Connell Seconded by: Rep. Boe

Representatives				Yes	No		Senators			Yes	No
Chairman Mark Dosch							Senator Karen Krebsbach				
Rep. David Monson <i>Ab</i>							Senator Gary Lee				
Rep. Tracy Boe							Senator David O'Connell				
<i>Rep Grande</i>											

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Additional equipment funding, reduce \$75,000 down to \$50,000.
Voice vote motion passed

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: 26 Apr 13

Roll Call Vote #: 2

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Grande Seconded by: Rep. Boe

Representatives				Yes	No		Senators				Yes	No
Chairman Mark Dosch				x			Senator Karen Krebsbach					x
Rep. David Monson	Absent						Senator Gary Lee					x
Rep. Tracy Boe				x			Senator David O'Connell					x
<u>Rep. Grande</u>				x								

Vote Count Yes: 3 No: 3 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Lewis and Clark Interpretive Center
1.1 million
fail/s.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: 26 Apr 13

Roll Call Vote #: 3

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Krebsbach Seconded by: Sen. O'Connell

Representatives				Yes	No		Senators				Yes	No
Chairman Mark Dosch					X		Senator Karen Krebsbach				X	
Rep. David Monson			<i>Absent</i>				Senator Gary Lee				X	
Rep. Tracy Boe				X			Senator David O'Connell				X	
<i>Rep. Grande</i>					X							

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

International Peace Garden
move it to 1.5 million fails

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: _____

Roll Call Vote #: _____

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: _____ Seconded by: _____

Representatives	4/23	4/24	4/25	Yes	No		Senators	4/23	4/24	4/25	Yes	No
Chairman Mark Dosch	X	X	X				Senator Karen Krebsbach	X	X	X		
Rep. David Monson	X	X	X				Senator Gary Lee	X	X	X		
Rep. Tracy Boe	X	X	X				Senator David O'Connell	X	X	X		

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: 4-29-13

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/~~Senate~~ Amendments on ~~(H)~~/S/J page(s) 1454 - 1457

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1019 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Krebsbach Seconded by: Sen. O'Connell

Representatives	4/27	4/28	4/29	Yes	No		Senators	4/27	4/28	4/29	Yes	No
	X	X	X					X	X	X		
Chairman Mark Dosch	X	X	X	✓			Senator Karen Krebsbach	X	X	X	X	
Rep. David Monson	X	X	X	X			Senator Gary Lee	X	X	X	X	
Rep. Tracy Boe	X	X					Senator David O'Connell	X	X	X	X	

Vote Count Yes: X 5 No: 0 Absent: 1

House Carrier Representative Dosch Senate Carrier Senator Krebsbach

LC Number 03005 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted added for various capital projects of \$1.25 million
 Statement of purpose of amendment add \$10,000 for artifacts for Ft. Lusk #6 reduced to \$500,000.00 & one time grant to \$1.35 million at Lewis & Clark interpreted. Allocation of \$300,000 for Park's large sea project, salary compensation

REPORT OF CONFERENCE COMMITTEE

HB 1019, as reengrossed: Your conference committee (Sens. Krebsbach, G. Lee, O'Connell and Reps. Dosch, Monson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1454-1457, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1454-1457 of the House Journal and pages 1257-1260 of the Senate Journal and that Reengrossed House Bill No. 1019 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

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Natural resources	12,768,203	8,325,122	21,093,325
Recreation	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	<u>11,641,532</u>	<u>359,199</u>	<u>12,000,731</u>
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$1,450,000</u>	<u>\$2,223,699</u>
Total general fund	\$773,699	\$1,450,000	\$2,223,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	<u>11,641,532</u>	<u>359,199</u>	<u>12,000,731</u>
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$3,897,800
Parks equipment	116,000	350,000
Lewis and Clark interpretive center grant	0	1,350,000
Little Missouri state park trail leases	85,000	0
Parks SCORP plan	40,000	0
Parks strategic plans	0	100,000
Community grant program	0	500,000
International Peace Garden capital projects	<u>267,000</u>	<u>1,250,000</u>
Total all funds	\$5,777,210	\$7,447,800
Less estimated income	<u>1,028,000</u>	<u>1,270,300</u>
Total general fund	\$4,749,210	\$6,177,500"

Page 3, line 15, replace "\$400,000" with "\$500,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 7. MARINA PURCHASE - APPRAISAL - EMERGENCY COMMISSION APPROVAL. The natural resources line item in subdivision 1 of section 1 of this Act includes \$387,500 from the general fund and \$387,500 from other funds for the purchase of a marina. The parks and recreation department must obtain an appraisal from a certified appraiser prior to the purchase of the marina. If

the appraisal value exceeds \$775,000, the department may request emergency commission approval to spend an additional \$25,000 of other funds for the marina.

SECTION 8. PEMBINA GORGE AREA PROJECT. The natural resources line item in subdivision 1 of section 1 of this Act includes \$300,000 from the general fund which the parks and recreation department may use to rent property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

SECTION 9. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$1,250,000 from the general fund included in subdivision 2 of section 1 of this Act is for an engineering study and repair of the peace tower at the International Peace Garden and to the extent funds remain, other infrastructure improvements. The funding is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources. Up to ten percent of the funds provided from the general fund are for the engineering study and emergency repairs and are not subject to the match requirement. The parks and recreation department shall accept and review engineering proposals and recommendations of the study before committing additional funds to the project and shall assist with bidding and construction oversight of any repair work.

SECTION 10. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$800,000 is from special funds derived from federal funds and other income for various capital projects, and subdivision 2 of section 1 of this Act includes \$125,000 from the general fund for an engineering study of the peace tower and emergency repairs at the International Peace Garden, which are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Parks and Recreation Department						
Total all funds	\$27,962,785	\$30,063,381	(\$479,011)	\$29,584,370	\$31,436,267	(\$1,851,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$16,170,950	\$17,623,869	\$184,770	\$17,808,639	\$19,644,313	(\$1,835,674)
International Peace Garden						
Total all funds	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Less estimated income	0	0	0	0	0	0
General fund	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Bill total						
Total all funds	\$28,936,484	\$31,037,080	\$770,989	\$31,808,069	\$34,909,966	(\$3,101,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$17,144,649	\$18,597,568	\$1,434,770	\$20,032,338	\$23,118,012	(\$3,085,674)

House Bill No. 1019 - Parks and Recreation Department - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Administration	\$2,719,322	\$2,652,000	\$21,593	\$2,673,593	\$2,720,017	(\$46,424)
Natural resources	19,234,022	21,256,353	(613,028)	20,643,325	22,506,409	(1,863,084)

Insert LC: 13.8148.03005

Recreation	6,009,441	5,973,451	112,424	6,085,875	6,209,841	(123,966)
Accrued leave payments		181,577		181,577		181,577
Total all funds	\$27,962,785	\$30,063,381	(\$479,011)	\$29,584,370	\$31,436,267	(\$1,851,897)
Less estimated income	11,791,835	12,439,512	(663,781)	11,775,731	11,791,954	(16,223)
General fund	\$16,170,950	\$17,623,869	\$184,770	\$17,808,639	\$19,644,313	(\$1,835,674)
FTE	55.00	55.00	0.00	55.00	55.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grant Program ⁶
Administration	\$41,260	(\$19,667)				
Natural resources	290,386	(138,414)	325,000	10,000	50,000	
Recreation	23,740	(11,316)				100,000
Accrued leave payments						
Total all funds	\$355,386	(\$169,397)	\$325,000	\$10,000	\$50,000	\$100,000
Less estimated income	7,442	(3,723)	162,500	0	0	0
General fund	\$347,944	(\$165,674)	\$162,500	\$10,000	\$50,000	\$100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant ⁷	Removes Funding for Waihalla Gorge Property ⁸	Adds Funding for Pembina Gorge Area Project ⁹	Total Conference Committee Changes
Administration				\$21,593
Natural resources	1,350,000	(2,800,000)	300,000	(613,028)
Recreation				112,424
Accrued leave payments				
Total all funds	\$1,350,000	(\$2,800,000)	\$300,000	(\$479,011)
Less estimated income	0	(830,000)	0	(663,781)
General fund	\$1,350,000	(\$1,970,000)	\$300,000	\$184,770
FTE	0.00	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ Funding removed by the House for purchase of a marina is partially restored. The executive budget and the Senate version included \$800,000 for the purchase of the marina.

⁴ Funding is added to purchase cabinetry to house a military artifact collection on display at Fort Abraham Lincoln State Park. The artifact collection will be donated to the Parks and Recreation Department. The Senate version included \$42,500 for purchase of the cabinetry and collection.

⁵ Funding is added for one-time equipment purchases of picnic tables and fire rings. The Senate version added \$75,000 for this purpose.

⁶ Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$500,000. The Senate version included an increase of \$200,000.

⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark Interpretive Center. The Senate version included \$3,150,000 for this purpose.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed, the same as the Senate version.

⁹ Funding is added to rent property in the Pembina Gorge area for office space.

Sections are added to provide guidelines for the Pembina Gorge area project and an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
International Peace Garden	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Total all funds	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
Less estimated income	0	0	0	0	0	0
General fund	\$973,699	\$973,699	\$1,250,000	\$2,223,699	\$3,473,699	(\$1,250,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 751 - International Peace Garden - Detail of Conference Committee Changes

	Adds Funding for Peace Garden Capital Projects ¹	Total Conference Committee Changes
International Peace Garden	\$1,250,000	\$1,250,000
Total all funds	\$1,250,000	\$1,250,000
Less estimated income	0	0
General fund	\$1,250,000	\$1,250,000
FTE	0.00	0.00

¹ Funding is added for capital projects at the International Peace Garden. The Senate version included \$2.5 million for this purpose.

A section is added requiring matching funds for capital projects of the International Peace Garden.

Reengrossed HB 1019 was placed on the Seventh order of business on the calendar.

**2013 TESTIMONY
HB 1019**

**HB 1019: NORTH DAKOTA PARKS AND RECREATION DEPARTMENT
APPROPRIATION BILL**

**House Appropriations, Education and Environment Division
Sakakawea Room**

Tuesday, January 15, 2013

Chairman Skarphol and members of the Committee, it is my honor as Director of North Dakota Parks and Recreation Department to present testimony on the agency's appropriation bill. I will take a few minutes to provide a general overview of the state parks.

North Dakota State Parks are among the special places enjoyed by citizens and visitors to our state. For almost 50 years the North Dakota Parks and Recreation Department has managed the natural, historic, cultural and recreational resources of the park areas for the enjoyment and benefit of all our visitors. Whether the visitors to the parks and recreation come for camping, fishing, hiking, biking, horseback riding, historical or interpretive programs, snowmobiling or ATVing, the staff of our Department works to provide the best experience possible. These natural treasures and activities provided by the Department would not be possible without the strong commitment of the Legislative Assembly. I can speak on behalf of many of our long time campers and visitors, as well as our staff, in thanking the Legislative Assembly for that ongoing support.

2011 and 2012 provided opportunities and challenges for the parks.

The floods and rising waters of 2011 had dramatic impacts on almost every park. The continued high water levels at Devils Lake as well as flooding of the Missouri, Little Missouri and Sheyenne Rivers reduced visitation and camping nights throughout the 2011 season. I am pleased to state that although several parks were closed to camping in the 2011 season, every park was up and running at full capacity by early summer. Then the summer of 2012 brought drier than normal conditions to several parks, but all parks remained open with limited fire restrictions.

Even with these challenges the parks experienced over a million visitors and set an all-time camper nights record in 2012. Outdoor enthusiasts continue to demonstrate their support for the parks and recreation areas by their visits. It was a busy two years for the Department. The Division managers will provide more details on these topics.

The Department's business manager is unable to be here today to present revenue information for 2011-2013. I will present the general information and will be happy to provide any additional information as requested at the conclusion of the department testimony.

From 2009-2011 biennium revenue of \$3,942,100 to anticipated revenues of over \$4 million in the 2011-2013 biennium these figures are a great indication of the continued support and growing support of the parks. The Department is projecting revenues in the 2013-2015 biennium to continue in an upward trend of \$4,545,000.

The 2011-2013 budgets included an appropriation of \$9,000 for promotional efforts. The Department plans to continue this effort. A number of printed promotional and informational pieces are produced by the Department. The Department also participates in 4-5 in-state sport shows depending on the show schedules. In 2012 North Dakota Parks and Recreation hosted a booth at the North Dakota State Fair with encouraging visitation and interest. Plans are to continue that effort in 2013.

I wish to address the audit findings from the Department's audit conducted in 2011.

State Park Revenue Control Weakness (Finding 11-1)

Recommendation: "We recommend the Parks & Recreation Department incorporate policies and procedures to conduct periodic on-site or desk reviews of supporting documentation for revenue collected at state parks to ensure controls at the state parks are in place and operating effectively."

Parks and Recreation Department Response:

The Department agrees with the finding and a schedule is being developed to conduct visits at several parks in the 2013 season to conduct in park revenue reviews. Consideration needs to be given to staff time and budget to conduct these reviews.

State Park Revenue Control Weakness (Finding 11-2)

Recommendation: "We recommend the Parks and Recreation Department comply with State Procurement guidelines"

Parks and Recreation Department Response:

The Department agrees with the finding and has already assigned State Procurement training to all staff for the various levels of procurement authority.

Noncompliance with State Park Fund Revenues (Finding 11-3)

Recommendation: "We recommend the Parks and Recreation Department deposit all revenues from rentals into the state park fund in accordance with North Dakota Century Code section 55-08-07"

Parks and Recreation Department Response:

The Department agrees with the finding and will begin coding all rental revenue into the state park operating fund beginning January 2013. For the 2011-2013 biennium rental revenue amount was \$17,279.19, as of December 31st, 2012.

The Department continues to work with Legislative Council and HRMS in developing plans for the equity and compression pay issues presented with the adoption of the Hay Group plan. \$672,790 of which \$659,333 will come from general fund.

Mr. Chairman, I now ask each of our 3 division managers to provide a status report of their 2011-2013 budgets as well as a review of the 2013-2015 budget recommendations. I would like

to introduce Brad Pozarnsky, Department's Field Manager, to cover the Park Operations Division.

Mr. Chairman and members of the Appropriations Committee, my name is Brad Pozarnsky, Field Manager for the ND Parks and Recreation Department. I would like to review the Park Operations Division progress for the current Biennium and address budget requests for the 2013-2015 Biennium:

In review, I am proud to report we achieved record visitation and camper nights for the 2012 season. Visitation exceeded one million visitors; with camper nights exceeding 67,000 and cabin nights over 3,200. Reservations for campsites, cabins, meeting facilities and shelters were also at an all-time high for 2012.

State Park special events are a major attraction for visitors. We host over 100 special events annually drawing approximately 250,000 participants.

Six State Parks were affected by 2011 floods. Fort Abraham Lincoln, Sully Creek and Little Missouri State Parks were most severely impacted with closures that required extensive repairs. All parks recovered and were in full operation by June of 2012.

We purchased 2 Skid Steers as one-time equipment purchases; one through general funds and the other through park revenues.

Our seasonal salary starting wage averages between \$9 and 10 dollars per hour. We did receive assistance for seasonal salaries in the last session, however, we continue to fall behind other agencies and it's impacting our ability to hire seasonal staff. In addition, the energy boom has severely impacted our pool of potential employees in western North Dakota.

We secured trail leases at Little Missouri State Park for the next 5 years through a general fund appropriation. The department owns approximately 1,500 acres of land and leases 4,000 plus acres. These land leases allow us to provide an extensive trail system at the park.

We currently operate two state park marinas on Lake Sakakawea. High water levels increased public demand for these facilities in 2011 and 2012. We operate 40 slip rentals at Lewis & Clark and 105 slips at Fort Stevenson State Park.

Transitioning to the 2013-2015 Park Operations Budget Request:

State Parks must replace equipment on a regular schedule to reduce the O&M dollars spent on aging repairs. Cyclic equipment replacement also increases trade-in values to further reduce expenses. One-time purchases for the 2013-2015 Biennium includes a wood chipper, industrial tractor replacements, cross-country ski trail groomers and a crack seal machine.

These purchases will allow us to save on rental rates, reduce repairs and the ability to rotate equipment between parks for more timely repairs.

- The wood chipper serves as both a cost savings and efficiency measure. Multiple state parks pay rental fees for this equipment on an annual basis. A one-time purchase allows us to establish a shared equipment rotation across the park system.
- Two tractors have reached their 20-year old life expectancy. Following the standard replacement schedule will drastically reduce future repair expenses.
- Groomed cross-country ski trails are a popular winter activity in 7 of our state parks. Two groomers have been stretched to a 30 year-old use period and are well overdue in the replacement cycle.
- And finally, a crack seal machine will allow our staff to complete smaller crack seal maintenance requirements. We are finding it difficult to secure bids on the smaller cyclic repairs and this purchase will allow us to rotate equipment between the parks for more timely repairs.

Our budget recommends we continue the long standing Game & Fish Department maintenance grant in the amount of \$122,000.

We have several long-term temporary Administrative Assistants working throughout the state park system and are requesting approval to convert one of them to a FTE. The increase in visitor use has impacted all areas of park operations and it is becoming difficult for our field staff to perform their duties without full-time administrative support staff. Approval of this FTE will assist us to maintain regular office hours and improve overall customer service for our park visitors.

Approximately 150 summer seasonal positions comprise the park operation's salary budget. Seasonal hourly wages and bonuses offered by similar agencies across the state put our department at a disadvantage. Approval of a \$1 per hour increase per year request will allow us to compete with other N.D. job markets.

This concludes my remarks for the Park Operations Division. I will introduce Jesse Hanson of the Planning & Natural Resource division to provide his presentation.

Mr. Chairman and committee members; my name is Jesse Hanson. I manage the Planning and Natural Resources Division of the ND Parks and Recreation Department. A public investment in facilities and infrastructure of over \$80 million in 16 state parks is managed by the Department. State park roads, utility services, buildings, trails, campgrounds and marinas are maintained at a high standard through continual assessment of conditions and prioritization of renovation and repair projects. Appropriations from the legislative body and other funding sources are critical to maintaining this high quality facility and infrastructure investment

In this testimony, I will provide a brief overview of the current 2011-13 biennium capital and extraordinary repair work completed along with flood recovery and a very successful energy conservation grant received by NDPRD, followed by a presentation of the 2013-2015 capital and extraordinary budget request.

Flood fighting and facility/infrastructure recovery dominated the 2011 – 2012 summers. Working with FEMA and state park staff, the Planning Division identified approximately \$600,000 in total damage and flood fighting costs across 6 state parks. After FEMA reimbursements, the agency will be responsible for \$250,000 for our share of recovery costs. These final costs will come out of the Department revenues.

ND Parks and Recreation's 11-13 biennium capital budget is \$4.3 million. \$2.5 million general fund dollars were appropriated through the agency capital budget for the majority of the local cost share to raise the access road to Graham's Island and Graham's Island State Park on Devils Lake. Additional local match of \$400,000 was contributed by the ND Game and Fish Dept. and \$50,000 each from Benson County and the City of Devils Lake's tourism fund. As a prelude to this project an economic impact study completed by the Upper Great Plains Transportation Institute at NDSU economic model calculated a net positive impact of \$85 million over a 20 year period would be realized in the Devils Lake region if the access road to Graham's island was maintained.

2011-13 capital projects also include the addition of a 45 site, full service campground at Graham's Island scheduled for opening in 2013, renovation of the campground electrical service and road renovations at Lewis Clark, purchase of the 60 slip dock, ramp and gangway system and installation of the electrical service at the Garrison Bay marina in Fort Stevenson State Park and the construction of the public shower house at Little Missouri State Park. All of these projects were completed and opened to the public in 2012. Additionally, appropriations for cost share for multi - use trail development in 3 state parks along with fiber optic communication line installation at Fort Lincoln, Turtle River and Lake Metigoshe State Parks.

The Department received a \$30,000 energy conservation grant from the ND Commerce Department to install 16 "tankless" water heaters in 8 campground comfort stations. In the first season of operation, propane costs in these buildings were reduced from 35% to over 40% for the first season of operation. Total cost savings in propane use in these 8 buildings was over \$7,000 in one year of operation.

The Department's extraordinary repair budget allocation in 2011-13 of \$753,416 is providing funding for park repairs in 28 projects. The majority of the repairs are structural maintenance and renovations to facilities.

Additionally, the Department received revenue from 900 acres of mineral ownership in McKenzie and Mountrail counties in mid-2011. The mineral lease funds have been assigned to legislatively approved projects, cyclic maintenance and emergency flood repair projects in the current biennium and the 2013-2015 budget.

The division's natural resources program is responsible for management of 15,000 acres of Department owned land, noxious weed control, native grass restoration, tree risk management and restoration. In the current biennium the natural resource program oversaw the restoration of nearly 100 acres of native and non - native grasses in flood damaged park lands along with over 100 acres of native grass and forb seeding in several state parks. Noxious weed inventory and control is a major obligation of the natural resource program. Each summer, noxious weed

infestations are identified and sprayed or biologically controlled on all lands owned or managed by the Department. Since 2005 the intensive weed control efforts has resulted in a decline of 430 acres of land with noxious weed infestation. An ongoing tree risk assessment, removal and replanting is the responsibility of the natural resource program, assuring safe recreational experiences for the public. Over 4,000 tree and shrubs were planted across the park system in 2012.

Last, I will provide a summary of the 2013-2015 capital and extra ordinary repair budget. The capital budget request for the upcoming biennium is \$3.7 million of which \$2.93 million is general funds, \$200,000 is federal grant funds, \$550,000 will be from the Department revenue budget and \$50,000 is committed by the North East North Dakota Heritage Association. Projects include \$928,000 budgeted for the major repair and chip seal of 3.2 miles of interior roads and parking lots at Lake Metigoshe State Park. The roads and parking areas were paved in the late 1960's and are in need of significant renovation work. Two building projects; a comfort station at Lake Sakakawea State Park and a visitor contact and administrative office building at Fort Stevenson State Park are requested. Construction of a 30 site campground addition at Lewis and Clark State Park is needed to accommodate the swelling population in western North Dakota. The Department's request includes purchase of marina slip docks, gangway ramps and provide electrical/water service in the marina at Lake Sakakawea State Park. One half of the dock purchase request is general fund and the other half will be park revenues. Finally, a request to use park revenues to add to the NE North Dakota Heritage Association's fund raising commitment for design, development and installation of a natural heritage exhibit in the Icelandic State Park Heritage Center.

The Extraordinary Repair base budget for the Department is \$876,000 for 2013-15. An additional \$182,800 authority has been added to the extraordinary repair budget from the park revenue fund for one time repair projects

The agency budget request also includes \$100,000 for master planning efforts in 2 park areas along with funding for planning the Department's 50th year anniversary in 2015.

This concludes my testimony for the capital and extraordinary repairs and flood information updates. I will introduce Arik Spencer of the Recreation Division to provide his presentation.

Mr. Chairman, members of the committee, my name is Arik Spencer, Recreation Division Manager for the North Dakota Parks and Recreation Department (NDPRD). The Recreation Division is the unit of NDPRD that primarily manages Department efforts outside of the state park system. These efforts include administration of the Snowmobile Program, Off-Highway Vehicle (OHV) Program and Scenic Byway Program. In addition, the Recreation Division manages several outdoor recreation grant programs which aid communities in developing new parks, playgrounds and trails.

As a review of the 2011-2013 biennium, there are several key areas I would like to highlight.

State Comprehensive Outdoor Recreation Plan

The first is the completion of the 2013-2017 State Comprehensive Outdoor Recreation Plan or SCORP. The purpose of the SCORP is to measure outdoor recreation supply and demand and set regional grant funding priorities for the next five years. Completion of the SCORP also maintains North Dakota's eligibility for federal outdoor recreation grant funding from the National Park Service and Federal Highway Administration. Key findings of the study include:

- More than one out of every two North Dakota households (55 percent) feel outdoor recreation is very important and 93 percent feel it is important.
- Overall, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply for their users.
- Unmet funding needs reported by ND outdoor recreation providers are in excess of \$104,000,000 over the next five years.

Based upon the surveys of North Dakota households and outdoor recreation providers, statewide primary priorities included non-motorized trails, campgrounds and playgrounds/picnic areas. Secondary priorities include pools and beaches along with sports courts and fields. Tertiary priorities were winter sports facilities and motorized trails.

Funding for the SCORP came from a general fund appropriation last session, which matched funding provided by the National Park Service. The SCORP will be made available this month at the North Dakota Parks and Recreation Department website.

Grant Programs

NDPRD offers two main outdoor recreation grants, both of which are federally funded. The Land and Water Conservation Fund reimburses half the cost of facility development, such as pools and campgrounds, while the Recreational Trail Program specifically funds 80% of motorized and non-motorized recreational trails projects. These two programs resulted in nearly \$3 million, funding 29 projects in communities across the state. Federal grant funding is essentially the same as the previous biennium and is anticipated at the same rate for the 2013 – 2015 biennium.

Trail Programs

As part of the Department's Off-Highway Vehicle Program (OHV), The Pembina Gorge State Recreation Area celebrated its grand opening this past June. The goal of this project has been to develop an OHV trail in the Pembina Gorge, approximately 12 miles north east of Walhalla. The recreation area features more than 20 miles of trail with more miles planned for 2013 and 2014. Initial public reception to the trail has been strong with average visitation of nearly 1,000 OHVs per month. Primary trail users are from North Dakota, Canada and Minnesota. Funding for this project has been primarily through the OHV Trail Fund and federal outdoor recreation grants as well as a general fund appropriation several sessions ago.

The Snowmobile Trail Program saw a turbulent 2011-2013 biennium with an outstanding 2011 trail season with all 2,800 miles of trail open to the public, followed by a unusually mild 2012 season in which only a few of our trails were able to open, and only for a few weeks. This resulted in a \$75,000 loss in registration revenue. Looking to this season, weather conditions have been good and registration numbers are rebounding with many trail systems opening.

The Department offers youth safety certification courses and outreach for both OHVs and Snowmobiles. Course numbers have held even this biennium with approximately 1,000 children, 12 and up becoming certified operators with safety outreach efforts reaching approximately 4,500 more riders.

2013-2015 Budget Requests:

Recreation Division related budget requests for the 2013-2015 biennium include \$400,000 for the Community Outdoor Recreation Grant Program. This program was first funded by the 2009 Legislative Assembly, to offer matching grants to local outdoor recreation providers. The Community Grant Program funds outdoor recreation facility construction, improvement and renovation in addition to recreation leadership grants for communities with a population of 13,000 or less. A 2012 NDPRD survey of outdoor recreation providers supports this request as over \$104,000,000 in unmet needs is anticipated over the next five years. We are also requesting an amendment related to this request which will allow carry over authority to the 2015-2017 biennium. The need for this amendment is because it is a reimbursement based grant program and project sponsors must complete a project before funds can be reimbursed.

In addition, we are requesting funding of \$62,500 to establish a Seasonal Trail Crew. The seasonal trail crew is needed due to the 60 miles of new trail NDPRD developed over the past 10 years. This crew will be responsible for trail building and repair throughout the state park system and in select state forests through a 2010 trail management agreement with the State Forester. The seasonal trail crew funding request includes three, six month crew members in each year of the 2013-2015, in addition to travel and equipment expenses.

Mr. Chairman, this concludes my remarks and I would be happy to answer any questions the committee may have.

HB 1019
House Approp Educ & Emur.
January 15, 2013
attachment 1, A

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 2, after line 30, insert:

"SECTION 5. EXEMPTION. Up to \$400,000 of the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1."

Renumber accordingly

HB 1019
House Appropri Educ. & En
Jan 15, 2013
Attachment 2
(pp slides)

North Dakota Parks and Recreation



HB 1019
Appropriations
Bill



Fort Abraham Lincoln State Park



Little Missouri State Park



Lewis and Clark State Park



Turtle River State Park



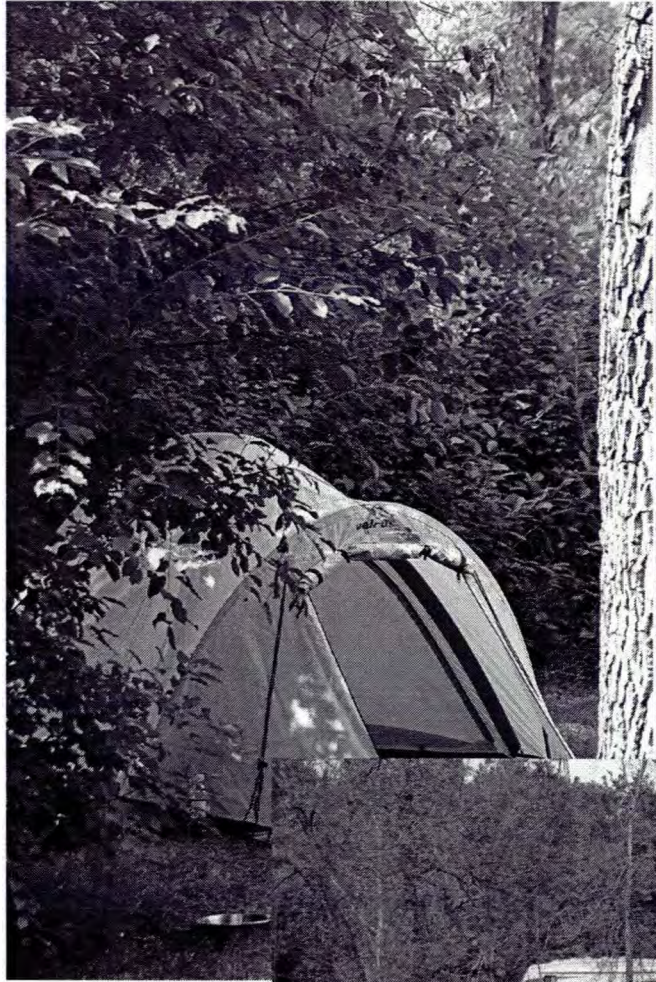
Lake Metigoshe State Park



Grahams Island State Park



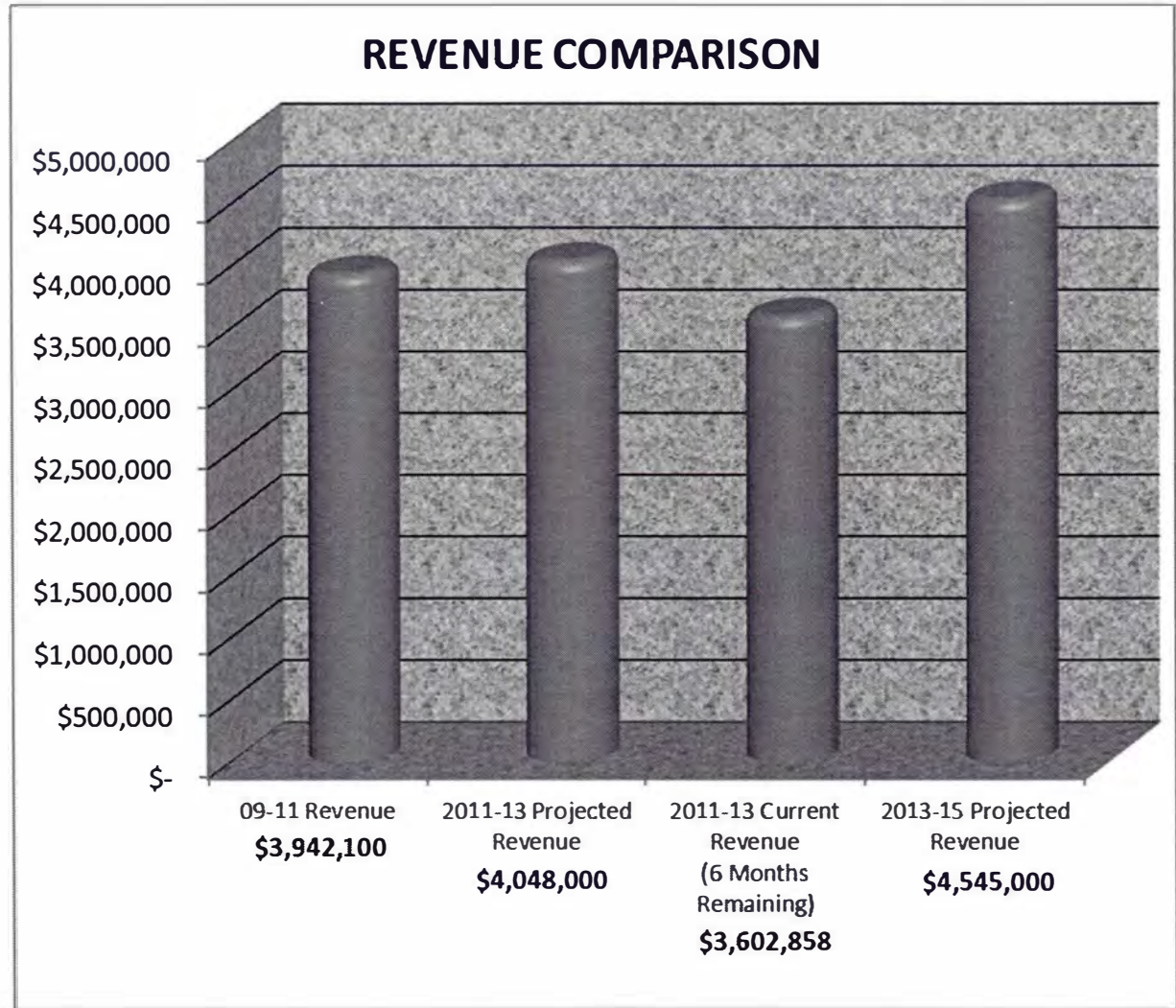
Cross Ranch State Park



Administrative Division

2011-2013 Review Revenue

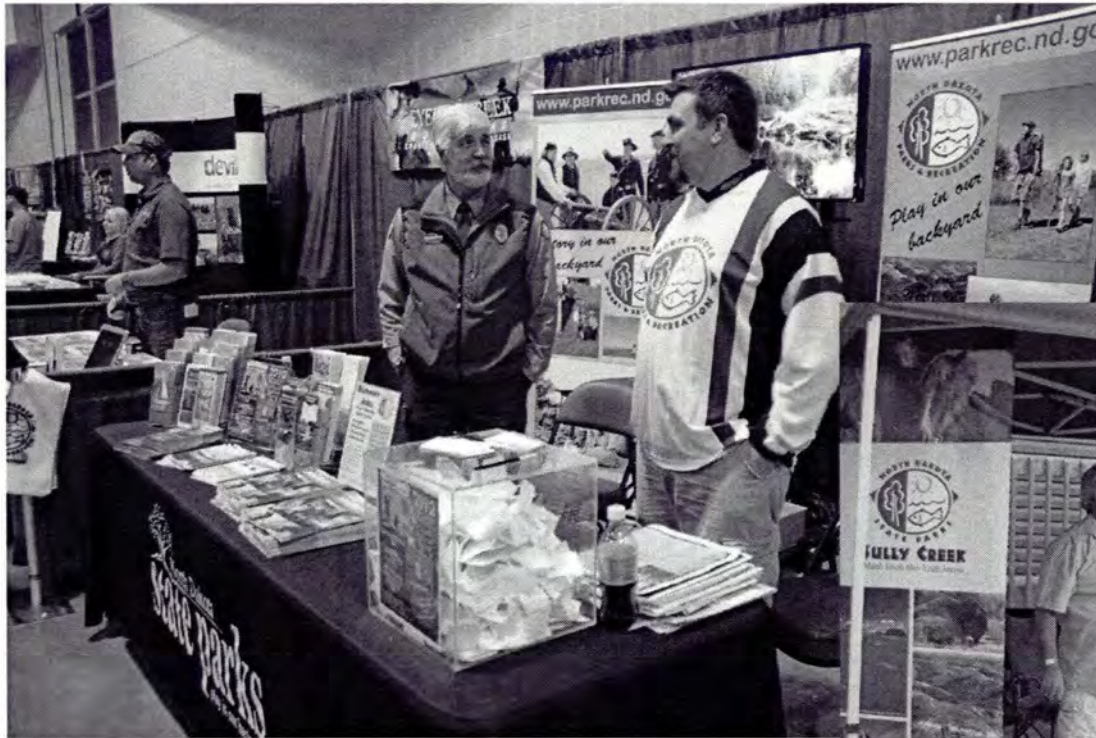
NDPRD is at 89% of
our goal with 75% of
the biennium
completed.



Administrative Division 2011-2013 Review Marketing



Administrative Division 2011-2013 Review Marketing



Bismarck Tribune Sports Show



North Dakota State Fair

Administrative Division

2011-2013 Review

Audit Recommendations

State Park Revenue Control Weakness (Finding 11-1)

Recommendation: “We recommend the Parks & Recreation Department incorporate policies and procedures to conduct periodic on-site or desk reviews of supporting documentation for revenue collected at state parks to ensure controls at the state parks are in place and operating effectively.”

State Park Revenue Control Weakness (Finding 11-2)

Recommendation: “We recommend the Parks and Recreation Department comply with State Procurement guidelines”

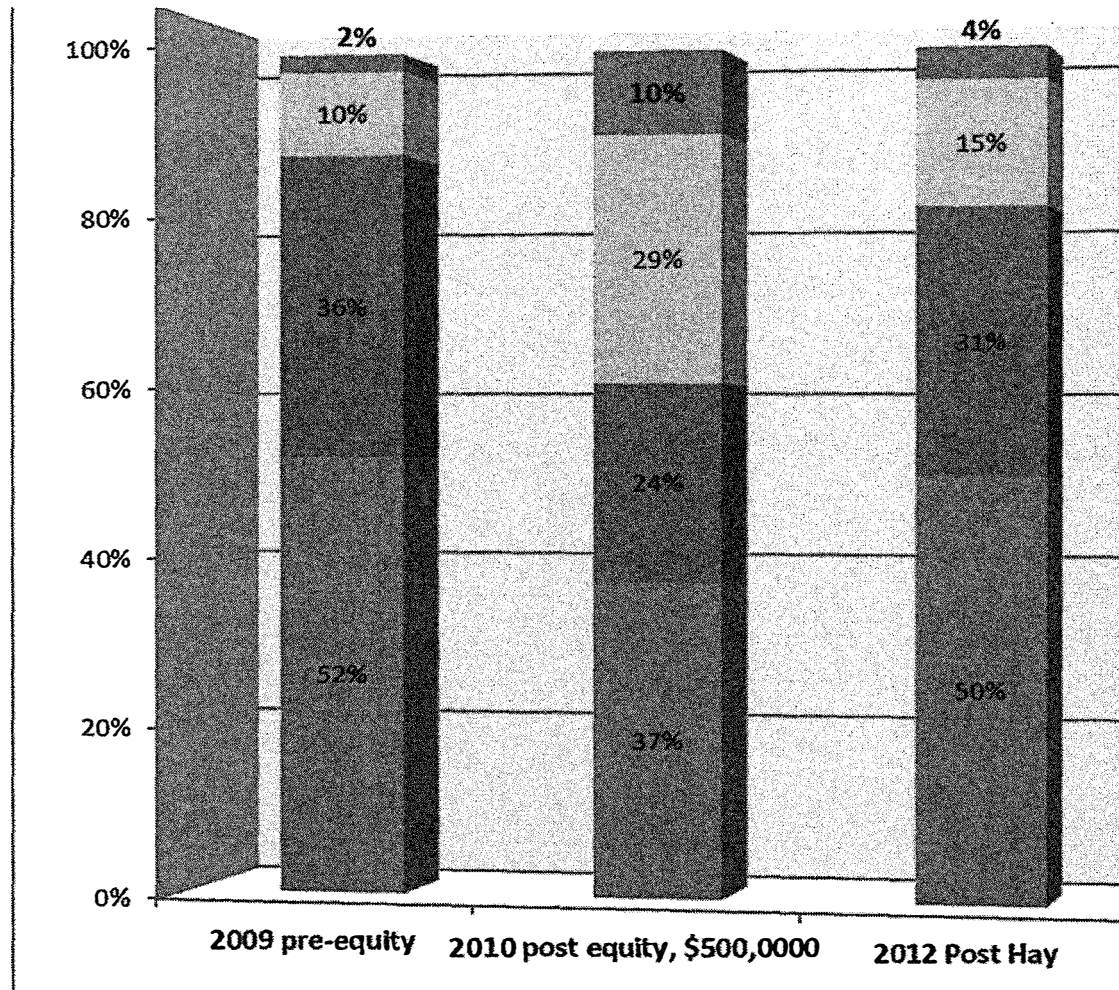
Noncompliance With State Park Fund Revenues (Finding 11-3)

Recommendation: “We recommend the Parks and Recreation Department deposit all revenues from rentals into the state park fund in accordance with North Dakota Century Code section 55-08-07”



Administrative Division

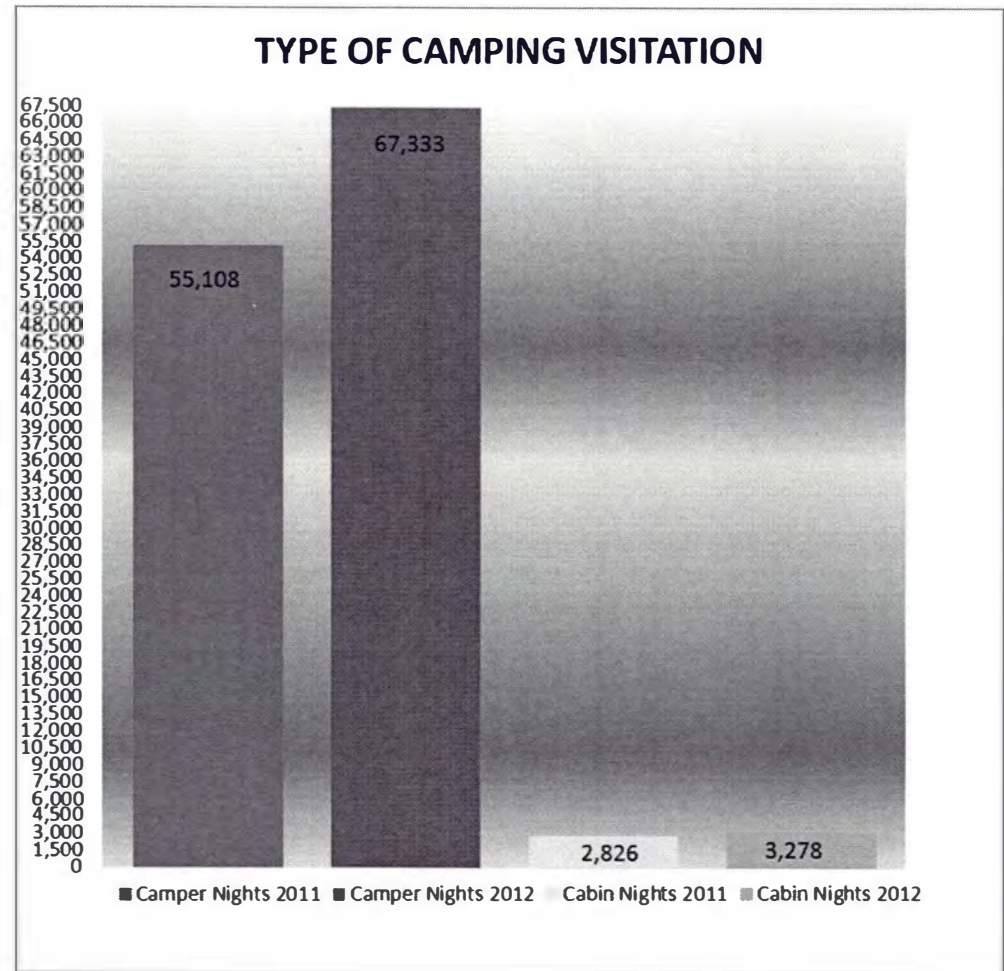
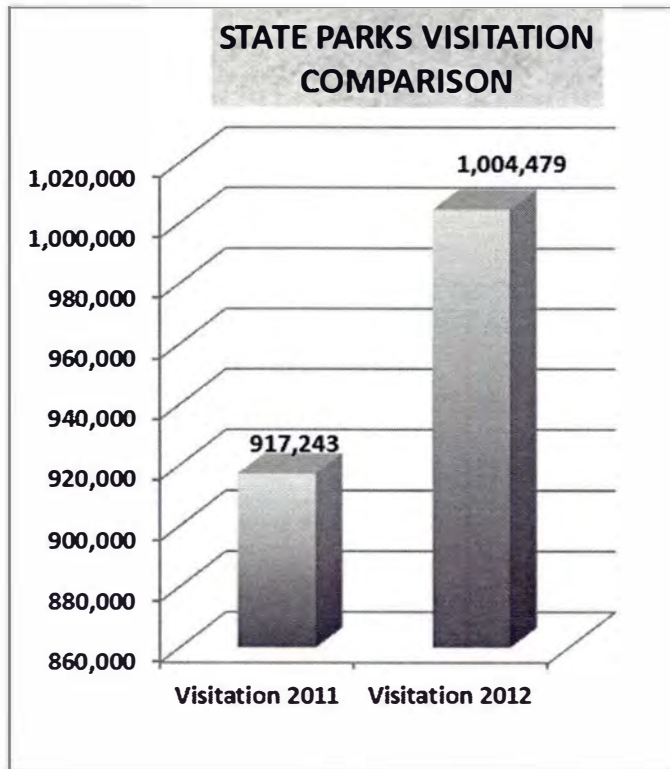
NDPRD Quartile Distribution



2013-2015 Compensation Request

Park Operations Division

2011-2013 Review Visitation



Park Operations Division

2011-2013 Review
Events



Icelandic State Park

100+ Annual Special Events
250,000 participants



Fort Ransom State Park



Cross Ranch State Park

Park Operations Division

2011-2013 Review

2011 Flood Impacts

Ft. Abraham
Lincoln State Park
Campground 9/11



- SIX STATE PARKS IMPACTED
- Fort Abraham Lincoln, Sully Creek, Little Missouri state parks most severely impacted.
- All parks were recovered and in full operation by June 2012

Park Operations Division

2011-2013 Review

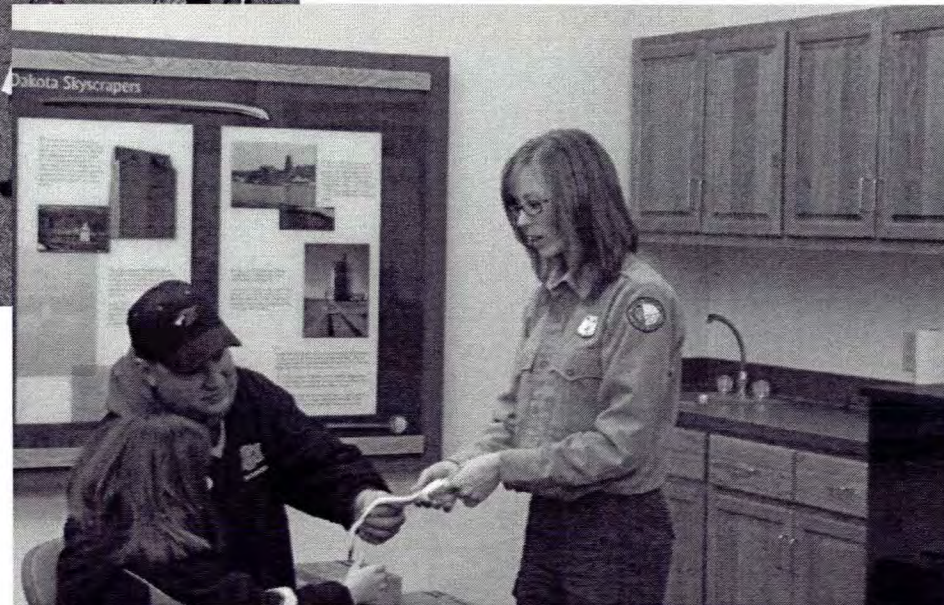
One-time equipment purchase

Purchased 2 Skid Steers.
One purchased with
general fund dollars and
the other with park
revenues.



Park Operations Division

2011-2013 Review
Seasonal Salaries



Park Operations Division

2011-2013 Review

Little Missouri Leases



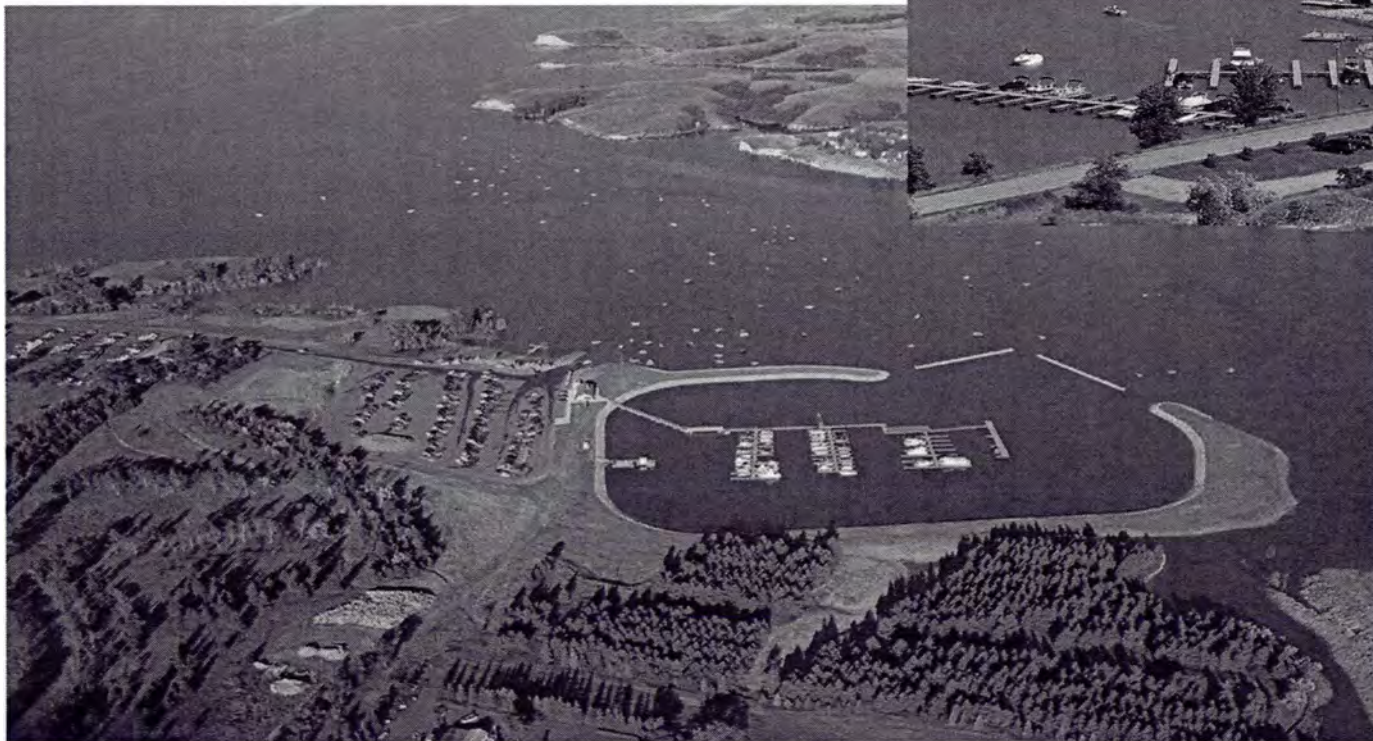
Park Operations Division

2011-2013 Review

Marinas at Lewis & Clark and
Fort Stevenson State Parks

Fort Stevenson State Park

Lewis & Clark State Park



Park Operations Division

2013-2015 Budget Request

One-time Equipment Purchase

\$300,000 – Department Revenues

- Wood chipper
- Tractors (2)
- Cross Country Ski Groomers (2)
- Crack Seal Machine



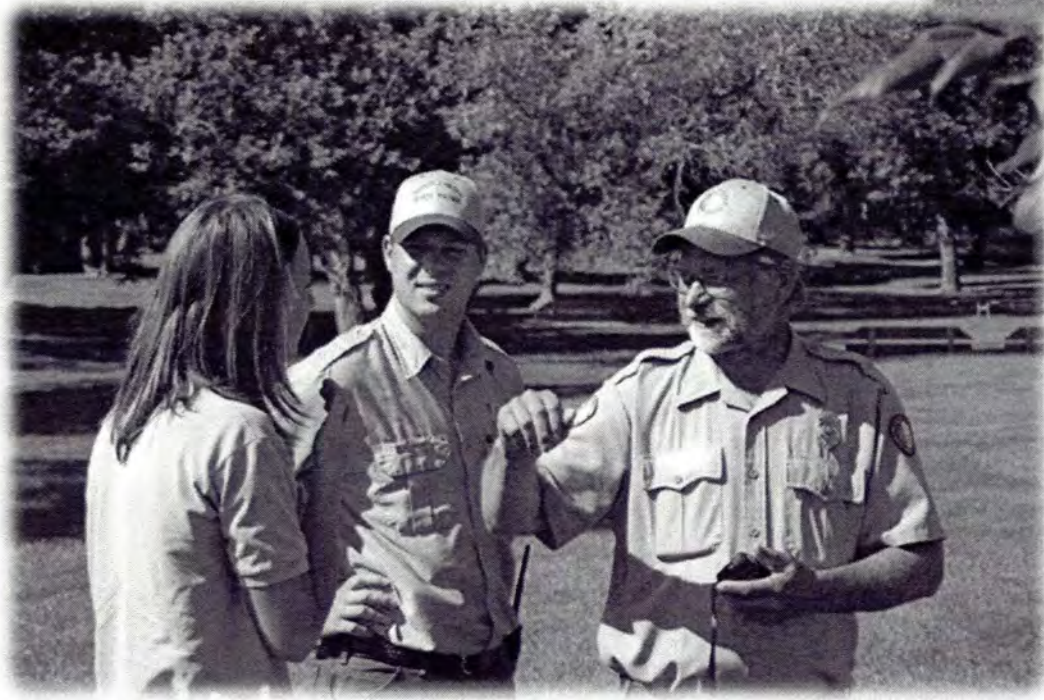
Park Operations Division

2013-2015 Budget Request Boat Ramp Maintenance



Continuation
of \$122,000
Game & Fish
Department
grant.

Park Operations Division
2013-2015 Budget Request
Administrative Assistant FTE
Seasonal Salaries



Planning and Natural Resources Division

2011-2013 Review



Over \$80 million in facilities and infrastructure investment in North Dakota state parks.

Planning and Natural Resources Division

2011-2013 Review

Flood Recovery 2011-2012



Disaster



Recovery



Disaster



Recovery

Planning and Natural Resources Division

2011-2013 Review



GISP Island Road completed

CAPITAL BUDGET PROJECTS (9 projects)

- Budget \$4,299,210.00
- Projects and budget 90 percent completed



Garrison Bay Dock Purchase



FSSP docks electrical

MAJOR ACCOMPLISHMENTS:

- GRAHAMS ISLAND ROAD RAISE
- LEWIS AND CLARK ROAD REPAIRS
- LEWIS AND CLARK CAMPGROUND ELECTRICAL UPGRADE
GARRISON BAY DOCK PURCHASE AND ELECTRIC SERVICE
- LITTLE MISSOURI SHOWER HOUSE
- GRAHAM'S ISLAND CAMPGROUND DEVELOPMENT MULTI-USE
TRAIL DEVELOPMENT.
- TELECOMMUNICATIONS – LMSP, TRSP, FALSP

Planning and Natural Resources Division

Energy Efficiency Grant from
Dept. of Commerce \$30,000

Installed 16
tankless water
heaters in 8
shower houses

35-40% decrease
in propane use

Savings \$7000
in the first
year of
operations



Planning and Natural Resources Division

2011-2013 Review

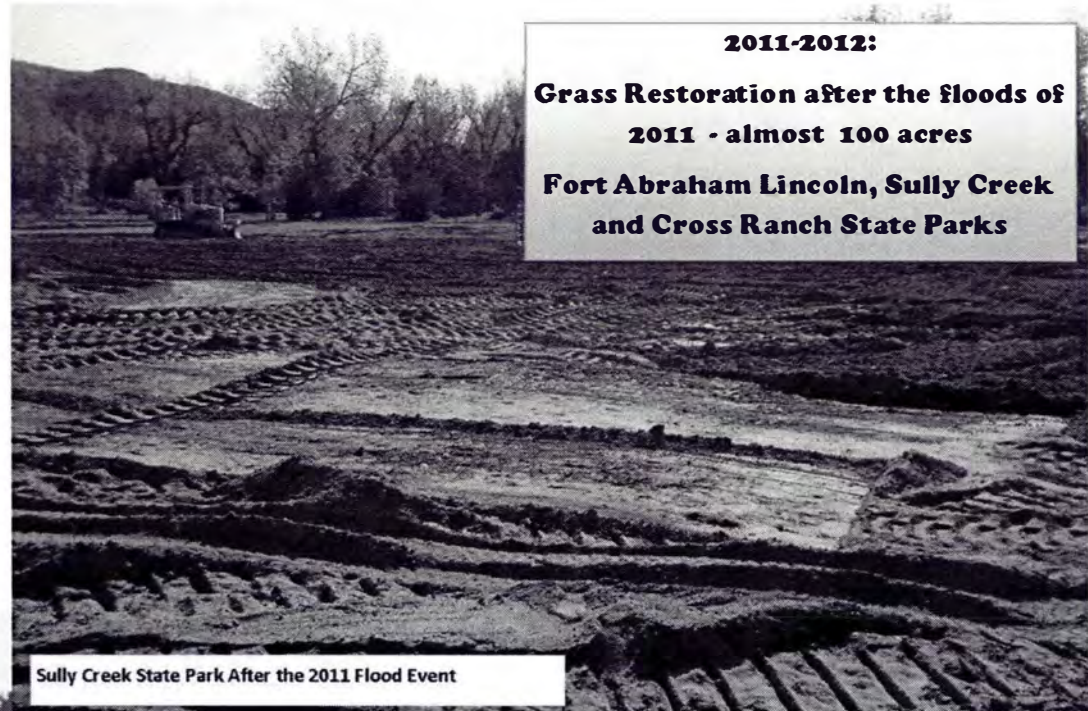
2011-13 EXTRAORDINARY REPAIRS:

- \$753,416 budget / 28 projects approved
- 18 Projects completed with 50% of overall budget allocated at this time.
- Expect to complete nearly all projects by 7/1/2013.



Planning and Natural Resources Division

2011-2013 Review
Native and Non-native
Grass Seeding



2011-2012:
**Grass Restoration after the floods of
2011 - almost 100 acres
Fort Abraham Lincoln, Sully Creek
and Cross Ranch State Parks**

Sully Creek State Park After the 2011 Flood Event



2011-2012:
**Prairie Restoration—Seeding,
Maintenance & Monitoring
over 100 acres**

Planning and Natural Resources Division

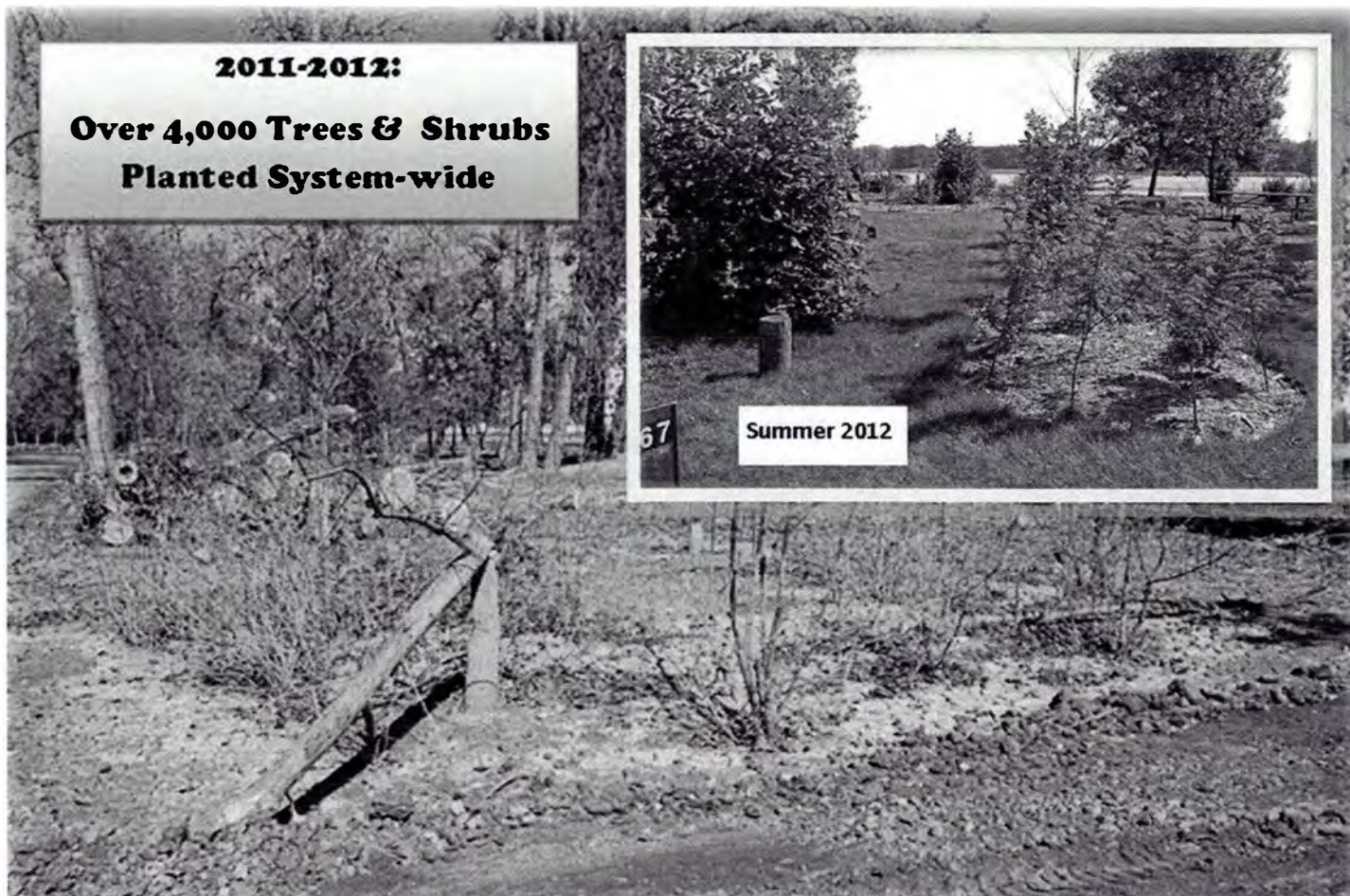
2011-2013 Review Noxious Weed Control



Planning and Natural Resources Division

2011-2013 Review

Tree Risk Assessment
and Tree Planting

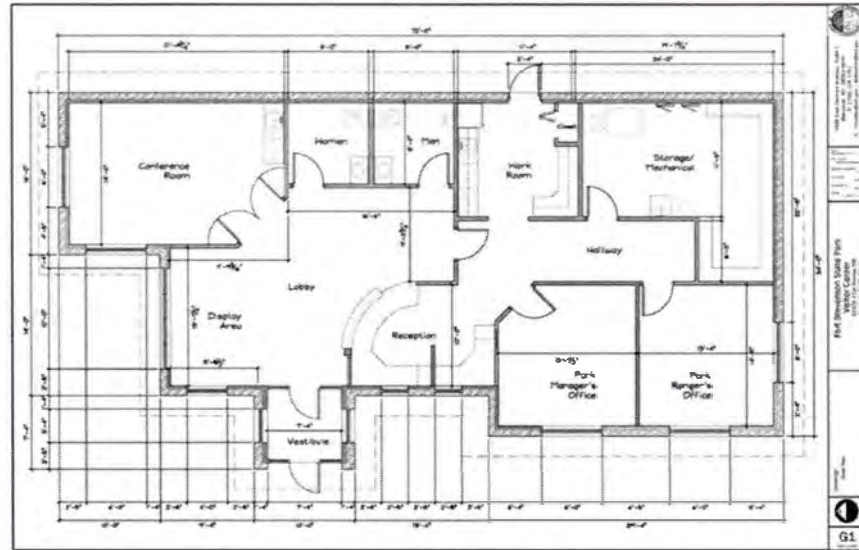


Planning and Natural Resources Division

2013-2015 Budget Request

CAPITAL BUDGET:

- 6 projects in the request \$3.7 million
- \$2.93 million in general fund
- \$550,000 park funds
- \$200,000 federal funds
- \$50,000 “other” funds
- \$2.93 million of budget designated as “One Time”



EXTRAORDINARY REPAIRS:

- \$875,094 General Fund base budget
- \$182,800 additional park fund allocation for “One Time” repairs
- 48 total projects included in this budget line

STRATEGIC MASTER PLANS FOR DEPARTMENT

- \$100,000 budget request
- Complete master plan for Fort Lincoln, Fort Ransom, Pembina Gorge,
- NDPRD 50 year anniversary.

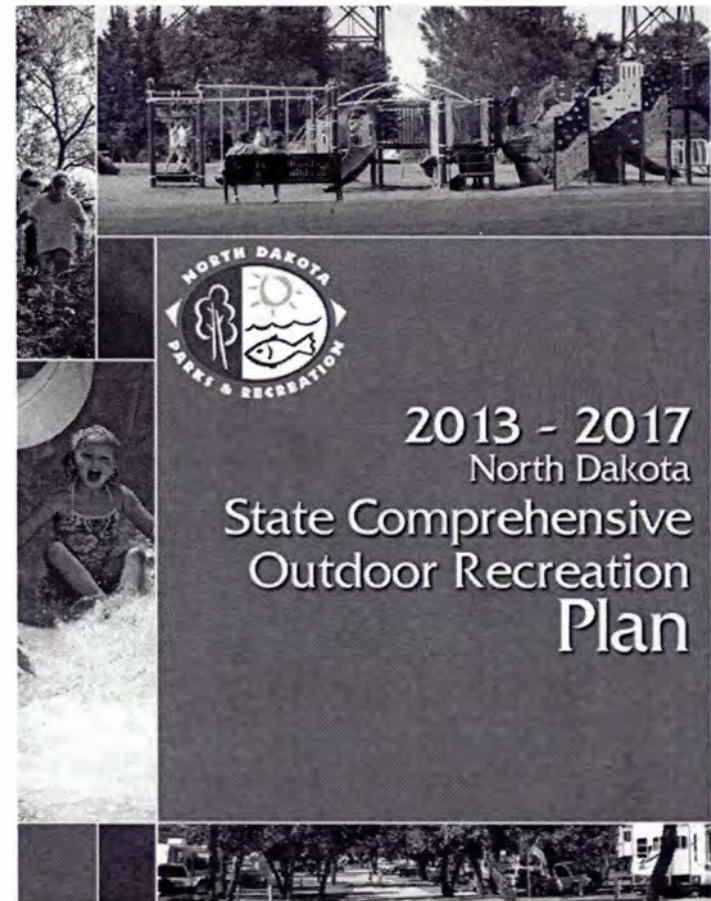


Recreation Division

2011-2013 Review

Statewide Comprehensive Outdoor Recreation Plan

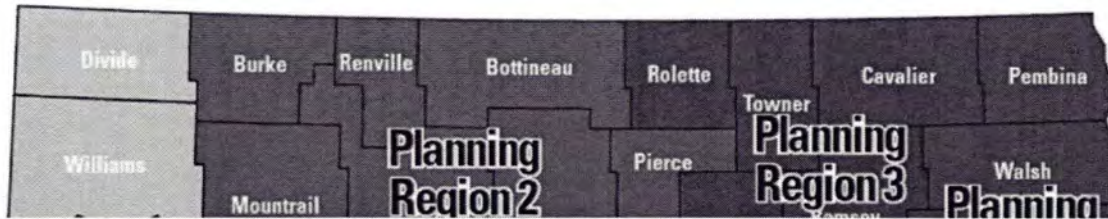
- More than half of ND households (55 percent) feel outdoor recreation is very important and 93 percent feel it is important.
- Overall, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply for their users.
- Unmet funding needs reported by ND Outdoor recreation providers are in excess of \$104,000,000 over the next five years.



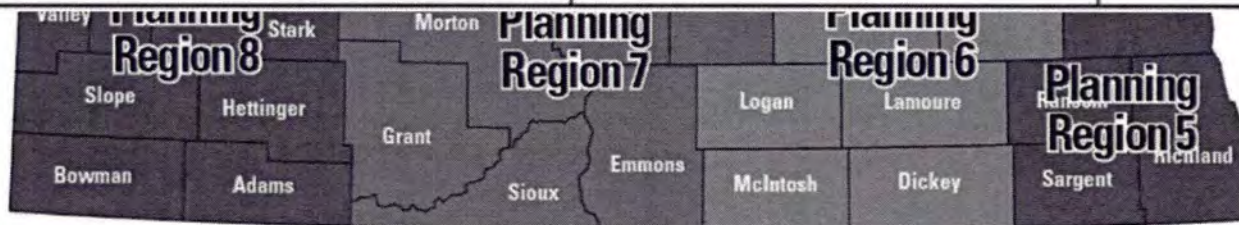
Recreation Division

2011-2013 Review

Statewide Comprehensive Outdoor Recreation Plan



Statewide Facility Priorities		
PRIMARY NEEDS	SECONDARY NEEDS	TERTIARY NEEDS
<ul style="list-style-type: none"> • Non-Motorized Trails • Campgrounds • Playgrounds/Picnic Areas/Open Space Parks 	<ul style="list-style-type: none"> • Pools/Beaches/Water Access • Sports Courts/Fields 	<ul style="list-style-type: none"> • Winter Sports Facilities • Motorized Trails



Park Operations Division

2011-2013 Review

Community Assistance



- During the 11-13 Biennium, NDPRD's community assistance efforts will have resulted in nearly 3 million dollars funding 29 trail and outdoor recreation projects across the state.
- Since 1965 NDPRD has funded over 1500 trail and outdoor recreation projects, totaling over \$45,000,000.

Recreation Division

2011-2013 Review

Off-Highway Vehicle Program



Pembina Gorge

Grand opening of the Pembina Gorge State Recreation Area.

Recreation Division

2011-2013 Review

Snowmobile Program



Recreation Division

2011-2013 Review

Youth Safety Program



Recreation Division

2013-2015 Budget Request

Community Recreation Grant



Executive budget recommendation \$400,000

Recreation Division

2013-2015 Budget Request

Seasonal Trail Crew



Executive budget recommendation \$62,500



Lake Sakakawea State Park



Grahams Island State Park



Beaver Lake State Park



Fort Stevens State Park

Questions?

HB 1014
House Appropri. Educ. & E2
Jan 15, 2013
Attachment 3

North Dakota

STATE PARKS GUIDE

Beaver Lake
Cross Ranch
Fort Abraham Lincoln
Fort Ransom
Fort Stevenson
Grahams Island
Icelandic
Lake Metigoshe
Lake Sakakawea
Lewis and Clark
Little Missouri
Sully Creek
Turtle River



Play in our backyard

The North Dakota Parks and Recreation Department invites you to discover the unique beauty and history of North Dakota by visiting its state parks, recreation areas and trails. These areas play an important role in preserving the state's history and the unique natural features defining North Dakota's landscape and heritage.



The history of the state is largely that of the people who inhabited it, and how their natural environment shaped them. Glimpses into the lives of those people—the Native Americans, the trappers, traders and explorers, and the homesteaders and ranchers—can be found in many of North Dakota's state parks. This guide tells you about state parks that preserve priceless Native American sites, areas visited by the Lewis and Clark Expedition, military forts, and ethnic settlements.

Other parks allow you to experience North Dakota's landscape and wildlife. Here you will find exciting recreational opportunities along our lakes and rivers, and unex-

pected wooded valleys, prairie vistas and rugged Badlands.

Whether you are a returning visitor or new to the state...take the time to explore North Dakota's state parks. The parks are open all year round for your enjoyment!

North Dakota State Parks Guide

North Dakota Parks and Recreation Department

1600 East Century Avenue, Suite 3, Bismarck, ND 58503, ph. 701-328-5357

E-mail—parkrec@nd.gov Web Site—www.parkrec.nd.gov

The North Dakota Parks and Recreation Department's facilities, programs and employment opportunities are open to all, regardless of age, sex, race, color, disability, religion, national origin or political affiliation. Contact us if you need an accommodation for a disability, or for an alternate format of this publication, at 701-328-5357 or Relay North Dakota TTY Service 800-366-6888.

General Information

Entrance and camping fees

All North Dakota state parks that are developed and maintained charge entrance and user fees year-round, based on the level of services available. In addition, user fees may be charged for other special services, facilities or activities.

Fees must be paid upon entering the park either to a park ranger or by using the park self-registration system.

Reservations

Online campsite and cabins reservations at North Dakota's state parks can now be made online or through the call center, toll free, at **800-807-4723**. Check the North Dakota Parks and Recreation website at, www.parkrec.nd.gov, for more information.

Interpretive programs and special events

On weekends throughout the summer, most state parks host interpretive programs that are fun for the whole family. These programs highlight historic, natural or recreational features within the parks. In addition, state parks host a variety of special events that include kite festivals, fishing tournaments as well as the ever popular Christmas and Halloween themed weekends. For a complete schedule of events, contact the state park or check the North Dakota Parks and Recreation Department website at www.parkrec.nd.gov.

Cabins/yurts & group facilities

Ten state parks have cabins available for rent. Camping cabins (no interior bathrooms or cooking facilities) can be found

at Beaver Lake, Fort Abraham Lincoln, Fort Stevenson, Grahams Island, Icelandic, Lake Sakakawea and Lewis and Clark. Primitive log cabins are available year-round at Cross Ranch, while Lake Metigoshe has family-style cabins with kitchens and bathrooms. Turtle River has 12 duplex sleeping cabin units equipped with bathrooms and bunk beds that can be rented individually or by groups, along with a kitchen and dining hall. Group facilities at Lake Metigoshe include two dorms that sleep a total of 120, kitchen and dining hall.

General rules

- ◆ Campsite and cabin occupancy limited to no more than 14 days in a 30-day period.
- ◆ Must be 18 years of age or older to rent park campsites and facilities.
- ◆ Fires must be contained in designated fire rings and attended by an adult at all times.
- ◆ Campfires may be prohibited based on rangeland fire dangers.
- ◆ No pets allowed inside cabins or indoor facilities.
- ◆ Pets must be kept on a leash and attended at all times.
- ◆ Pet waste must be bagged and disposed of in an appropriate manner.
- ◆ No smoking in park facilities.
- ◆ No game or fish cleaning in or around cabins or group facilities.
- ◆ Contact park for restrictions on alcohol use and insurance requirements for rental of group facilities or shelters.
- ◆ Use of fireworks prohibited.
- ◆ Metal detecting on state property is not allowed.
- ◆ Firearms must be unloaded and stored in a gun case. Discharge of any weapon or projectile within a state park is not permitted.
- ◆ Additional info about facility use policies is available either online or at the park.

Beaver Lake State Park

Located on the west shore of Beaver Lake in south central North Dakota, Beaver Lake State Park provides a relaxing get-away for those wanting to get back to nature.



The gently rolling prairie provides scenic views for leisurely walks. In the summer, the lake attracts visitors for boating, canoeing, water skiing and fishing.

Park guests find plenty to occupy their time, whether it's studying the area's fascinating history; discovering the plentiful natural resource; taking advantage of refreshing water sports; hiking; mountain biking; fishing; or just relaxing in the shade of an American elm.

Nearby Attractions: Slade and Long Lake National Wildlife Refuges • Whitestone Battlefield State Historic Site • Golfing.

Facilities: 270 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Boat Ramp • Swim Beach • Camping Cabins • Mountain Biking.

Location: Seventeen miles southeast of Napoleon—3850 70th Street SE, Wishek ND 58495, ph. 701-452-2752, email blsp@nd.gov.



Cross Ranch State Park

Cross Ranch State Park is located along some of the last free-flowing and undeveloped stretches of the Missouri River.

A boat ramp and canoe and kayak rentals are available for those wishing to explore this scenic segment of the river, while anglers will find walleye, trout, catfish, salmon, pike and bass in its waters.

An extensive trail system can be explored either on foot or on cross-country skis during the winter months. The trails allow access to a 5,000-acre nature preserve with mixed grass prairie, river bottom forests and woody draws. Campers can use either the park's primitive campground or hike to their camping spot in a back country area.



The park is a favorite of area musicians and hosts the annual Missouri River Bluegrass Festival, a musical extravaganza drawing Bluegrass musicians from around the country.

While Cross Ranch State Park provides only primitive camp sites, the nearby Sanger campground has electrical sites and provides boat access to the Missouri.

Nearby Attractions: Cross Ranch Nature Preserve • Fort Mandan and



Lewis and Clark Interpretive Center • Knife River Indian Villages National Historic Site • Coal Mine and Power Plant Tours • Fort Clark State Historic Site.

Facilities: 589 acres •

Camping • Electrical Hookups (Sanger only) • Campsite Reservations • Showers • Sewage Dump Station • Hiking and

Cross Country Ski Trails • Cross Country Ski/Snowshoe Rentals • Boat Ramp • Canoe/Kayak Access and Rentals • Fishing • Year-round Cabins/Yurts • Naturalist and Year-round Outdoor Learning Center Programming • Visitor Center.

Location: 12 miles southeast of Hensler-1403 River Road, Center, ND 58530, ph. 701-794-3731, e-mail crsp@nd.gov

Fort Abraham Lincoln State Park

Fort Abraham Lincoln State Park is rich in both early Native American and military history.

The visitor center and historic buildings feature exhibits and programs on the early occupation of the area. On-A-Slant Mandan Indian Village with its reconstructed earthlodges depicts the lifestyle of the Mandan, who lived



here from 1575-1781. In 1804, the Lewis and Clark Expedition camped nearby and noted their abandoned village in their journals. From 1872 until 1891, the military occupied this site, first under the command of

Lt. Col. George Armstrong Custer. The park features a modern campground and picnicking facilities, hiking and biking trails, as well as shoreline access for fishing in the Heart and Missouri rivers.

Facilities: 1,006 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Hiking, Mountain Biking, Horseback and Paved Interpretive Trails • Historian • Living History • Camping Cabins • Visitor Center and Historic Buildings • Missouri River Natural Area.

Nearby Attractions: Boat Ramps • Golf and Tennis Areas • State Capitol • North Dakota Heritage Center • Riverboat • Trolley • Zoo • Roughrider State OHV Trail

Location: Seven miles south of Mandan on Highway 1806-4480 Fort Lincoln Road, Mandan, ND 58554, ph. 701-667-6340, e-mail falsp@nd.gov.

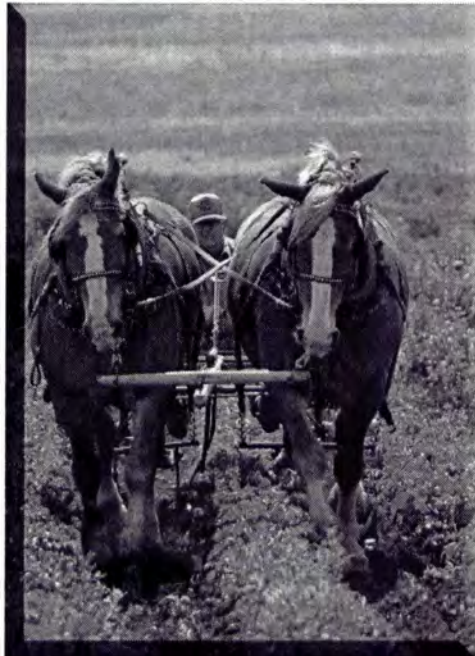


Fort Ransom State Park

Taking its name from an 1860s military fort, Fort Ransom State Park is located in the midst of the scenic and heavily wooded Sheyenne River Valley.

The river provides abundant opportunities for canoeing, fishing and bird watching, while within the park can be found a short segment of the North Country National Scenic Trail. During the summer, picnicking and camping are favorite activities, while cross-country skiing is a popular winter sport. A farmstead within the park is the setting for the annual Sodbuster Days celebration, with demonstrations and exhibits of homesteading life.

Nearby Attractions: Bears Den Mountain Downhill Ski Area • Fort Ransom State Historic Site • Ransom County Historical Museum • Sheyenne Valley State Snowmobile Trail • Sheyenne National Grassland • Sheyenne State Forest • Sheyenne River Valley National Scenic Byway.



Facilities: 947 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Hiking, Horseback, Mountain Biking and Cross-Country Ski Trails • Canoe/Kayak Rentals • Visitor Center • Corral and Primitive Camp Sites.

Location: Two miles north of the community of Fort Ransom—5981 Walt Hjelle Parkway, Fort Ransom ND 58033, ph. 701-973-4331, e-mail frsp@nd.gov.

Fort Stevenson State Park

On the north shore of Lake Sakakawea, this park was named for a late 1800s fort that served as a supply depot for other military posts in the Dakota Territory.



Fort Stevenson State Park is known as the “Walleye Capital” of North Dakota. It’s a favorite spot for sportsmen to experience the great fishing on the lake and is home to the annual Governor’s Cup Walleye Fishing Derby.

Boaters will find excellent facilities, including two marinas — Garrison Bay and de Tro-

briand — with boat ramp access, fishing boat rental and boat and camper storage.

A variety of events are held at the park each year including the Sky Dance Sakakawea Kite Festival; CANDISC Bike Tour; and Beach Party. There is a seasonal naturalist providing education programs

Nearby Attractions: Golf • Tennis • North Dakota Fishing Hall of Fame • Power Plant Tours • Broste Rock Museum • ND Firefighter Museum • Wally the Walleye, ND’s largest walleye.

Facilities:

549 acres •

Camping •

Campsites

with Sewer

and Electrical Hookups • Campsite Reservations • Family Cabins • Camping Cab-

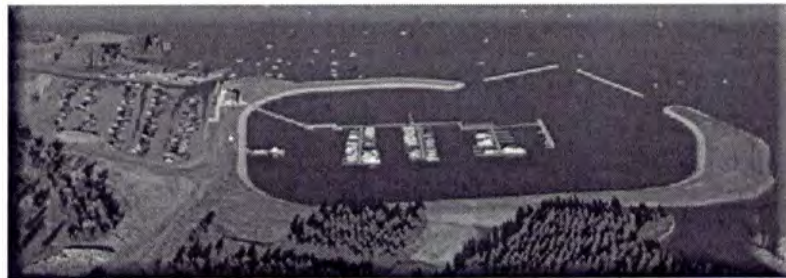
ins • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Two

Marinas • Slip Rentals • Gas Dock • Fish Cleaning Station • Boat Ramp • Boat

Rentals • Canoe/Kayak Rentals • Hiking Trails • Arboretum • Prairie Dog Town •

Hiking Trails • Swim Beach • Park Concession • Cross Country Ski Trails

Location: Three miles south of Garrison, ND – 1252A 41st Avenue NW, Garrison, ND 58540, ph. 701-337-5576, e-mail fssp@nd.gov.



Grahams Island State Park

Devils Lake, North Dakota's largest natural lake, is home to Grahams Island State Park, named after the first known white settler in the area, Captain Duncan Graham. The park offers camping and picnicking facilities. There is a boat ramp, with access to the lake for fishing and other water sports, as well as a bait shop and gas facility. The park hosts numerous national and regional fishing tournaments during the year, and offers some of the best fishing in the midwest.



The Sivert Thompson Activities Center is available for rent and is an excellent facility for large group activities. It has seating for up to 180 people and is equipped with a wood-burning fireplace, indoor restroom, catering area and a large patio.

Nearby Attractions: Fort Totten State Historic Site • Sullys Hill National Game Preserve • Camp Grafton • Golf • Native American Crafts • Lake Region Snowmobile Trail • Historic Downtown • Lake Region Heritage Center

Facilities:

1,122 acres •
Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Sivert Thompson Activities Center • Boat Ramp •



Bait Shop • Hiking Trails • Playground • Camping Cabins • Fish Cleaning Station

Location: Sixteen miles southwest of the city of Devils Lake – 152 S. Duncan Road, Devils Lake ND 58301, ph. 701-766-4015, e-mail dlsp@nd.gov

Icelandic State Park

Situated on the north shore of Lake Renwick, camping, boating, swimming and fishing for northern pike and other game fish are popular activities at Icelandic State Park.



Within the park are the Pioneer Heritage Center and restored historic buildings, which provide a glimpse of North Dakota's homesteading heritage. An early homestead preserves the state's pioneer spirit.

The park includes the Gunlogson Nature Preserve, the state's first dedicated nature pre-

serve. This is a 200-acre natural wooded area along the Tongue River, providing a sanctuary for plants, birds and wildlife.

Nearby Attractions: Golf Course • Pembina Gorge • Pembina County Historical Museum • Pembina State Museum • Northeast Snowmobile Trail • Frostfire Mountain Ski Resort and Summer Musical • State Scenic Byway

Facilities: 912 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelter • Swim Beach • Boat Ramp and Courtesy Dock • Fishing Dock • Sledding Hill • Hiking Trails • Paved Bike Path • Groomed Cross-Country Ski Trails • Seasonal Naturalist • Playground • Camping Cabins • Interpretive Center and Historic Buildings

Location: Five miles west of Cavalier on Highway 5 – 13571 Hwy. 5, Cavalier ND 58220, ph. 701-265-4561, e-mail isp@nd.gov.



Lake Metigoshe State Park

Nestled in the scenic Turtle Mountains along the U.S./Canadian border, Lake Metigoshe is one of the most popular year-round vacation spots in North Dakota.

The small lakes within the park provide opportunities for fishing, canoeing, boating and swimming. A multitude of trails attract hikers and mountain bikers. Winter brings snowmobilers, cross-country skiers, sledders and ice fishing enthusiasts. Three year-round cabins with kitchens, gas fireplaces and bathrooms along with a yurt can be rented by the night or week, and group dorms (cap. 120), kitchen and meeting facilities are also available.



Nearby Attractions: International Peace Garden & Music Camp • Camp Metigoshe • Downhill and Cross-Country Ski Areas • Peace Garden State Snowmobile Trail • Golf Courses • Turtle Mountains • J. Clark Salyer and Lords Lake National Wildlife Refuges • Rendezvous Region Scenic Byway.

Facilities: 1,551 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Swim Beach • Boat Ramp and Fishing Dock • Hiking, Mountain Biking, Snowmobile and Groomed Cross-Country Ski Trails • Sledding Hill • Warming House • Canoe, Kayak, Snowshoe and Cross-Country Ski Rental • Naturalist and Year-round Outdoor Learning Center Programming • Playgrounds • Year-Round Cabins and Yurt Facilities • Group



Dorms, Kitchen and Meeting Facilities

Location: Sixteen miles northeast of Bottineau—#2 Lake Metigoshe State Park, Bottineau ND 58318, ph. 701-263-4651, e-mail lmisp@nd.gov.

Lake Sakakawea State Park

On the south shore of Lake Sakakawea adjacent to Garrison Dam, Lake Sakakawea State Park offers a wide range of water-based recreational activities and facilities.

The park has a full-service marina, including convenience store, fishing



guide services, and boat and camper storage. Boat ramps in the park offer deep water access to some of the best fishing on Lake Sakakawea. The park also features modern camping and picnicking facilities. Hikers enjoy a segment of the North Country National

Scenic Trail. Sleeping cabins are available for rent during the camping season.

Nearby Attractions: Garrison Dam and Fish Hatchery • Audubon National Wildlife Refuge • Knife River Indian Villages National Historic Site • Coal Mine and Power Plant Tours • Golfing

Facilities: 1,293 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Swim Beach (contact park for status) • Marina • Fish Cleaning Station • Boat Ramps • Hiking Trail • Camping Cabins • Visitor Center



Location: A mile north of Pick City – Box 732, Riverdale, ND 58565, ph. 701-487-3315, e-mail lssp@nd.gov.

Lewis and Clark State Park

The towering buttes and rolling hills to Lake Sakakawea provide a rugged backdrop to this park, situated on one of the upper bays of Lake Sakakawea.

Modern boating facilities, including marina with slip rentals and a boat ramp, are major attractions.

Anglers will find excellent fishing for walleye, sauger and northern pike. Visitors can become acquainted with the natural communities associated with the park by hiking a self-guided nature trail. Camping cabins with air conditioning, a microwave oven and coffee pot are available during the summer months.



There is a swimming area for campers near the cabins and a day-use beach at the south end of the park.

Nearby Attractions: Buffalo Trails Museum • Fort Union Trading Post National Historic Site • Fort Buford State Historic Site • Golf Areas



Facilities: 490 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters

• Marina • Fishing • Cleaning Station and Boat Ramp • Nature Trail • Camping Cabins.

Location: Nineteen miles southeast of Williston on Highway 1804-4904 119th Road NW, Epping, ND 58843, ph. 701-859-3071, e-mail lcsp@nd.gov.

Little Missouri State Park

Little Missouri State Park contains some of the most rugged, picturesque Badlands terrain in the state.

Most of the park is accessible only by horseback or hiking. Numerous

wildlife species frequent the park, including mule deer, coyote, fox, bobcat and golden eagle. Horse rentals and a guide service are located adjacent to the park. In addition, cor-



inals and well water are available for those bringing in their own horses to ride the 50 miles of trails. Use of certified weed-free feed is required.



Nearby Attractions:

Theodore Roosevelt National Park (North Unit) • Lake Sakakawea • Killdeer Mountains • Killdeer Mountains Round-up Rodeo • Little Missouri State Scenic River (no access from park) • Killdeer Mountain Four Bears Scenic Byway.

Facilities: 4,592

acres • Camping • Electrical Hookups • Campsite/Corral Reservations • Vault Toilets • Picnic Shelters • Hiking and Horseback Trails • Corrals • Shower House.

Location: 17 miles north of Killdeer – c/o Cross Ranch State Park, 1403 River Road, Center, ND 58540, ph. 701-794-3731 or 701-764-5256 email crsp@nd.gov.

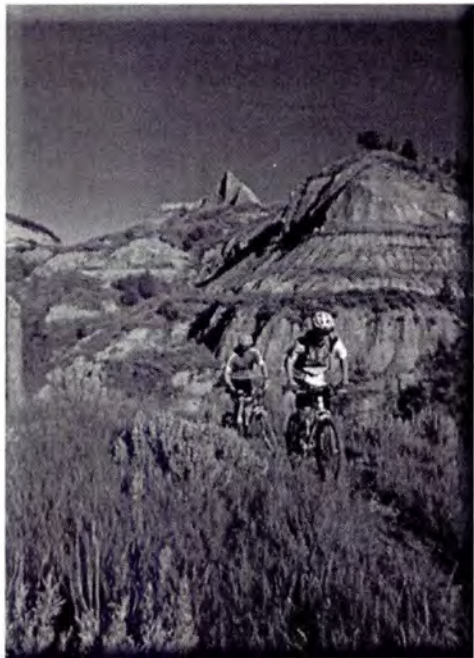
Sully Creek State Park

Located in the heart of the North Dakota Badlands, Sully Creek State Park is just minutes away from the historic town of Medora and Theodore Roosevelt National Park.

In the early spring, canoeing/kayaking the Little Missouri River is a popular activity.

Corrals are provided for those bringing in their own horses. Horseback riders, mountain bikers and hikers have access to the 120-mile long Maah Daah Hey Trail, which traverses the Little Missouri National Grassland. Use of certified weed-free feed is required by horseback riders using the trail. For additional trail

restrictions, contact the Dakota Prairie Grasslands, North Dakota Parks & Recreation Department or the National Park Service.



Nearby Attractions: Theodore Roosevelt National Park (South Unit) • Little Missouri National Grassland • Burning Coal Vein • Medora • Chateau de Mores State Historic Site • Little Missouri State Scenic River.

Facilities: 80 acres • Camping • Horse Corrals • Campsite/Corral Reservations • Canoe Access • Maah Daah Hey Trail Access • Shower House • RV Dump.

Location: Two and a half miles south of Medora—c/o Fort Abraham Lincoln State Park, 4480 Fort Lincoln Road, Mandan, ND 58554, ph.701-667-6340 or 701-623-2024 email: falsp@nd.gov.

Turtle River State Park

Constructed in the 1930s by the Civilian Conservation Corps, this park is located in a beautiful, wooded valley along the meandering Turtle River. The park features year-round recreational activities, including camping, picnicking, hiking, mountain biking, cross-country skiing and sledding. Anglers can also practice their fly fishing techniques in the trout-stocked river.



Perfect for weddings, family reunions and other group activities is the spacious Woodland Lodge, with its kitchen and dining hall. Sleeping cabins, equipped with bathrooms and bunkbeds (no cooking inside), can also be rented by groups or individuals during the summer. The upstairs of the Chalet/Warming House is also available to

rent for just about any type of group function. The CCC Memorial Shelter offers a picturesque setting and is popular for wedding and large group picnics.

Nearby Attractions:

Golf Course • Larimore Dam and Recreation Area • University of North Dakota • Grand Forks Air Force Base • Kelly's Slough National Wildlife Reserve • Prairie Chicken Management Area • Oakville Prairie.

Facilities: 784 acres •

Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets •

Sewage Dump Station • Hiking, Mountain Biking and Groomed Cross-Country Ski Trails • Paved Nature Trail • Outdoor Learning Center • Naturalist and Year-round Outdoor Learning Center Programming • Sledding Area • Playground • Warming House • Sleeping Cabins • Kitchen and Dining Hall • Visitor Center.

Location: Twenty miles west of Grand Forks on Highway #2 – 3084 Park Ave., Arvilla ND 58214, ph. 701-594-4445, e-mail trsp@nd.gov.



Pembina Gorge Recreation Area

The Pembina Gorge State Recreation Area is being developed in a way new to the state of North Dakota. The North Dakota Parks and Recreation Department is implementing a multiuse trail system to accommodate the three classes of Off-Highway Vehicles (OHVs): dirt bikes, four wheelers, and side by sides.

The most recent development is a 12 mile looped trail completed in the fall of 2011. It accommodates OHVs up to 60 inches wide. An additional 10 to 12 mile loop is planned for construction in 2012.

More traditional, non-motorized trail opportunities are in the works as well. The Tetrault Woods State Forest, located south of Walhalla, is undergoing some trail enhancements which includes a floating bridge across a beaver pond and trail repairs to provide an unforgettable walk through the woods.

Other recreational opportunities in the Pembina Gorge area include hiking, mountain biking, horseback riding, bird watching, primitive camping, wildlife viewing and canoeing/kayaking.

Location: OHV Trail is five miles west, a mile north, a mile west of Walhalla; Tetrault Woods is two miles south of Walhalla – 101 5th St. Walhalla, ND, 58282 Phone: 701-549-2444, email pgsra@nd.gov.



Indian Hills Recreation Area

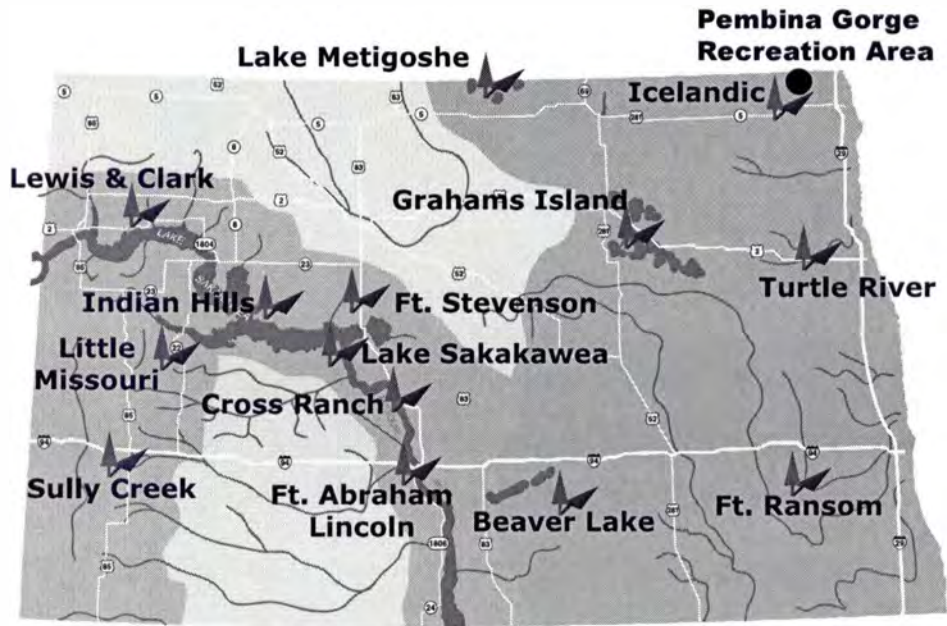
Indian Hills State Recreation Area and Resort is operated by a private lease. Amenities include camping, modern and primitive cabins, boat ramp, camp store, fishing guide service and hiking, mountain biking and birding trails.

Nearby Attraction: Broste Rock Museum • North Dakota Fishing Hall of Fame • Three Affiliated Tribes Museum • Casino • Golf and Swimming Areas.

Facilities: 80 acres • Camping • Electrical and Water Hookups • Showers • Sewage Dump Station • Fish Cleaning Station • Boat Ramp • Hiking and Biking Trails • Cabins • Picnic Shelter • Gas Dock • Overnight Docking.

Location: Thirty-one miles west of Garrison – 7276 14th Street SE, Garrison, ND 58540, ph. 701-743-4122, e-mail ksorge@btinet.net.

Parks locations and amenities



 Campground

Park Amenities		Amenities																						
		Campsites	Group Campsites	Electricity	Electricity/Sewer hookups	Showers	Dump Station	Overnight Accommodations	Group Complex	Visitor Center	Historic Buildings	Indoor Meeting Facilities	Picnic Shelters	Playground	Swim Beach	Marina	Boat Ramp	Fishing	Canoe/Kayak Rentals	Hiking Trails	Bicycling Trails	Horseback Riding	Winter Activities	Concessions
Beaver Lake	33	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Cross Ranch	70	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Abraham Lincoln	96	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Ransom	36	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Stevenson	154	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Grahams Island	107	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Icelandic	161	✓	✓		✓	✓	✓		✓	✓		✓	✓	✓		✓	✓		✓	✓			✓	✓
Lake Metigoshe	130	✓	✓		✓	✓	✓	✓				✓	✓	✓		✓	✓		✓	✓			✓	✓
Lake Sakakawea	192	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Lewis and Clark	83	✓	✓		✓	✓	✓		✓			✓	✓	✓	✓	✓	✓		✓	✓			✓	✓
Little Missouri	30	✓			✓	✓	✓					✓							✓	✓				
Sully Creek	38	✓			✓	✓													✓	✓			✓	
Turtle River	100	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓			✓		✓	✓			✓	✓

Winter Activities

Most of North Dakota's state parks are open all year and provide an assortment of winter activities, including cross-country skiing, snowshoeing, sledding, ice-skating and ice fishing. Many of the parks have cross-country ski trails designed to challenge novice and advanced skiers. Snowshoers, while not allowed on groomed cross-country ski trails within the state parks, can blaze their own trails through undisturbed snow during the winter months.

The state also has 14 snowmobile trails, which cover over 3,400 miles of groomed and ungroomed trails. The snowmobile season runs from December 1 through April 1, providing the trails have a minimum base of four inches of packed snow.

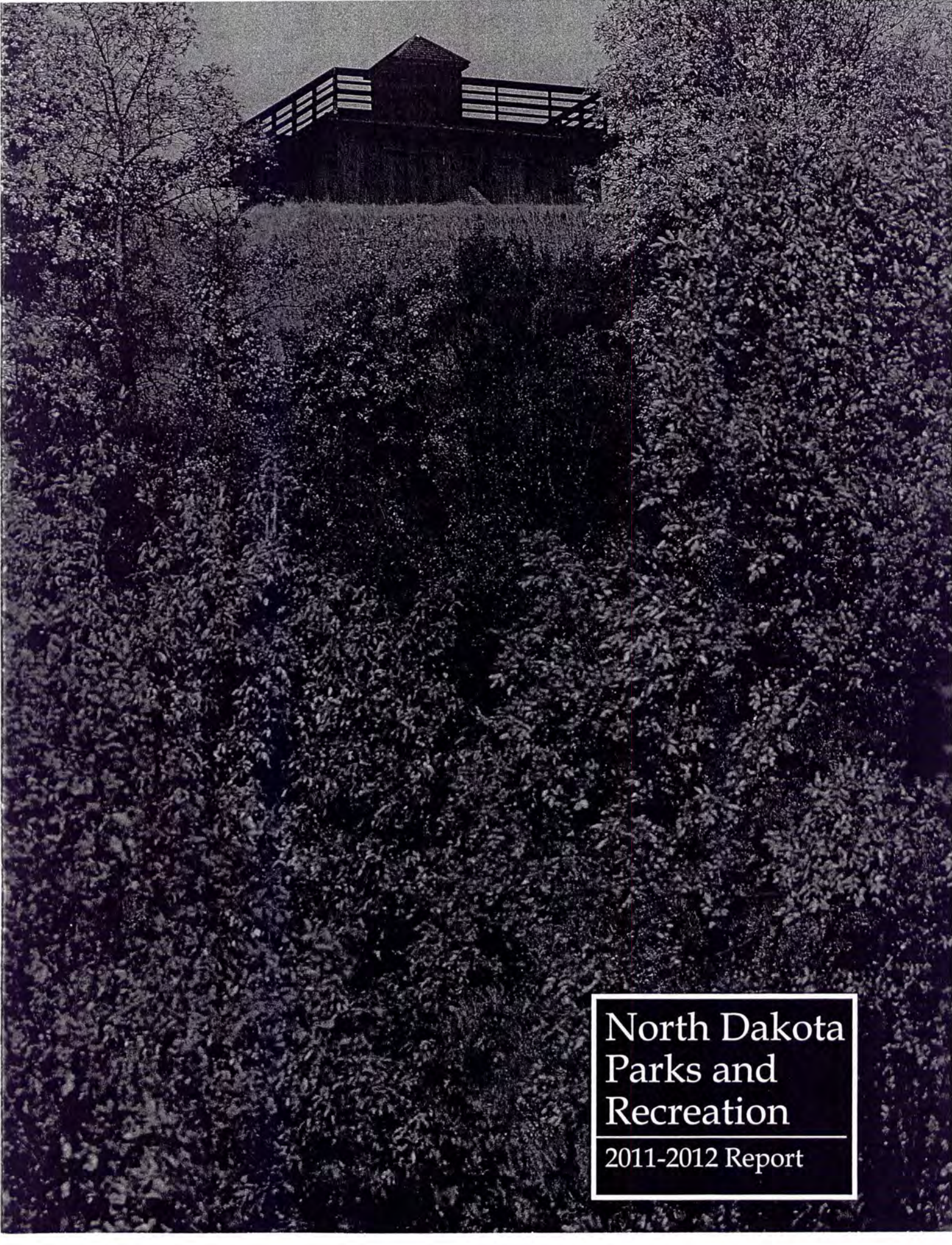
Conditions for both snowmobile and cross-country ski trails are posted on the North Dakota Parks and Recreation Department website, www.parkrec.nd.gov, or are available by calling the North Dakota Tourism Division at 1-800-HELLO ND.

Cross Country Skiing	Trail	Miles	Sled	Ice	Notes
			Hill	Fish	
Beaver Lake	•	5		•	
Cross Ranch 701-794-3731	MG	10			Ski/snowhoe rentals
Ft. Lincoln 701-667-6340	•	6.75			
Ft. Ransom 701-973-4331	MG	6.5			Warming house
Ft. Stevenson 701-337-5576	MG	3		•	
Grahams Island 701-766-4015	MG	3	•		
Icelandic 701-265-4561	MG	5	•	•	Interpretive center open
Lake Metigoshe 701-263-4651	MG	8.5	•	•	Ski/snowshoe rentals, warming house
Lake Sakakawea 701-487-3315	•	3	•	•	
Lewis and Clark 701-859-3071	MG	4		•	
Turtle River 701-594-4445	MG	7.5	•		Chalet/warming house

Marked

State Snowmobile Trails	Trail	Miles	Location (Info: 701-328-5357/ www.parkrec.nd.gov)
Northeast (Pembina Gorge)	MG	417.5	Langdon, Walhalla, Cavalier, Edinburgh
Peace Garden	MG	190	Bottineau, Rolla
East Central Valley	MG	202	Casselton, Fargo
Sheyenne Valley	MG	286	Jamestown, LaMoure, Ft. Ransom, Valley City, Oakes
Red River North	MG	151.5	Minto, Grafton
Red River South	MG	193	Grand Forks, Manvel, Fordville
Lake Region	MG	216	Devils Lake
Mayville-Portland	MG	74	Hatton, Portland, Mayville, Hillsboro
Missouri Valley	MG	213	Mandan, Bismarck, Linton
Sno-Trails	MG	351	Minot, Velva, Towner
North Central	MG	180	Rugby, Cando
Southern Valley	MG	136	Wahpeton, Mooreton
Cattrail	MG	103	Hope
Sargent County	MG	90	Gwinner

Groomed



North Dakota
Parks and
Recreation

2011-2012 Report

North Dakota Parks and Recreation Department

Director's Comments

The past two years have challenged the North Dakota Parks and Recreation Department unlike any other in the department's 50 year history.

In 2011 nearly every park in the state system was affected by flooding. Campgrounds were closed at Fort Abraham Lincoln and Cross Ranch state parks. Gramms Island State Park access was hit and miss, as Devils Lake waves crashed down on Island Road leaving behind debris that were best removed with a snowplow. The highways leading to Little Missouri State Park crumbled under the saturation they endured and campers were often forced to drive in roadside ditches during highway reconstruction. Sully Creek State Park closed as it was inundated as the Little Missouri River left its banks.

Recovery started as soon as possible. Thousands of hours of work and millions of dollars were spent to restore the parks and their campgrounds. The Island Road was raised at a cost of about \$15 million; Fort Abraham Lincoln State Park welcomed back campers in the spring; bluegrass music filled the air at Cross Ranch State Park; horse trailers made their way to Little Missouri State Park on rebuilt roads and the park celebrated its 40th anniversary.

While too much moisture was a problem in 2011, too little precipitation took its toll in 2012 as drought conditions resulted in fire bans and all the parks were on high alert. NDPRD employees did their part to put out wildfires and keep communities safe.

All during the flooding and recovery visitors kept coming to the state parks and NDPRD staff made sure they had a good time. In 2011 the system exceeded a million visitors for a third consecutive year and 2012 saw record numbers of campers and again exceeded a million visitors. While parks systems around the United States faltered and in some cases even failed, North Dakota State Parks thrived. Recreation Division programs educate young OHV and snowmobile riders all over North Dakota and continue to provide grants for development of recreational areas.

In 2015 the North Dakota Parks and Recreation Department celebrates its 50th anniversary and plans are to mark the celebration in a variety of ways including legacy projects and special events. The NDPRD will use the anniversary as a means to tell its success story to the public and at the same time plan for a bright future.



NDPRD Director Mark Zimmerman

Icelandic State Park has turned the Cavalier Region into one of the premier vacation destinations in North Dakota during the summer months.

While operating at capacity almost every weekend, it brings literally thousands of visitors to our area which translates into a huge economic impact for all of us. From Main Street to medical, food to fuel, Cavalier services are being used by the many campers, which is a very welcome boost to our community. It's proximity to our local golf course, Heritage Center and Pembina County Historical Museum has also proven to be almost a perfect fit. The outstanding reputation of the park has only enhanced the pride Cavalier has in our city and I must say that it has truly been a pleasure working with all the park personnel on may of the activities scheduled throughout the year.
Mayor Ken Briese
City of Cavalier, ND

Graham's Island State Park plays a significant role in the economic impact of Devils Lake and the Lake Region.

Families and anglers come to enjoy the lake as well as what the City of Devils Lake has to offer for family adventure. As one of the top fishing destinations in the US, you can head out in the morning or evening and catch your limit of walleye, northern pike and white bass. Then enjoy the rest of the day tootling around the lake waterskiing and tubing, enjoy Sullys Hill National Game Preserve, walk through the historic museums or do some shopping in our quaint downtown area.

We've seen a significant rise in campers from Canada, Minnesota and Wisconsin, to name a few. With the road project complete we should see a significant rise in use next summer. With a beautiful setting, state-of-the-art fish cleaning station and large boat ramp, it is a premier campground in North Dakota.
Suzie Kenner
Executive Director
Devils Lake CVB

North Dakota State Parks



BEAVER LAKE

Beaver Lake State Park maintains its position of providing a unique getaway with a relaxed atmosphere and quality camping accommodations in the south central portion of the state.

The park is the North Dakota Parks and Recreation Department's (NDPRD) second oldest, celebrating its 80th anniversary in 2012. A number of improvements have been made to the park over the past two years with the creation of a new administrative/visitor center, addition of a third camping cabin, a new archway at the entrance to the Park Dedication Memorial area, repairs to the Memorial which now holds a time capsule to be opened in another 50 years.

Over 100 visitors participated in the anniversary celebration and provided input on what the NDPRD should do to improve the park, including restoration of the caretaker's cabin.

CROSS RANCH

Missouri River flooding in 2011 closed Cross Ranch State Park's campground due to access issues, but most of the infrastructure remained intact and the camping facilities reopened by Labor Day.

The park is a favorite among those looking for recreation in the winter and began providing cross country ski and snowshoe rentals in 2011. But a mild, dry winter slowed activity. CRSP

provides year round camping facilities including the Art Link and Colter cabins and three yurts.

Because of flooding, the 21st year of the Missouri Bluegrass Festival was cancelled in 2011, but it was renewed again in 2012 along with several other concerts promoted by a local bluegrass band, Cottonwood. The musical events were largely successful and several will return on an annual basis.

Flooding cleanup continued through 2012 as several damaged trees had to be removed and campsites were put back in order. Over 300 new trees were planted and improvements were made to buildings and other facilities.

FORT ABRAHAM LINCOLN

North Dakota's oldest state park,



Fort Abraham Lincoln State Park (FALSP), is in the midst of its most active periods and the future looks bright for the 104 year old park.

Missouri flooding took its toll on FALSP in 2011, closing the campground for nearly the entire year and destroying much of campground's infrastructure, killing over 100 mature trees and leaving a deep coverage of silt. Recovery began immediately

after the water receded and despite the enormity of the damage the park reopened in the spring of 2012.

In an effort to spur greater visitation a number of new events were attempted in 2012 including: themed monthly hikes, helicopter excursions, foot races, mountain biking adventures and other events. Each added to the park's popularity, but the reopening of the campground was the greatest incentive in bringing visitors back to FALSP in near record numbers.

The North Dakota Parks and Recreation Department is currently developing a new strategic plan for FALSP and several new features are being considered along with: expanded camping facilities, a visitor transportation system, new lodging accommodations, visitor center, future land acquisitions and expanded programming. Completion of the strategic plan is expected by the spring of 2013.

FORT RANSOM

Hiking, mountain biking and horseback riding are becoming Fort Ransom State Park's most popular activities as visitors take advantage of the park's extensive nearly 15-mile trail system. FRSP remains a favorite among history buffs researching early settlement life in North Dakota. The twice-a-year Fort Ransom Sodbuster weekends draw thousands of visitors.

Horse use is up considerably leading to expansion of the Riverside Horse Corral with 18 new metal pens. The NDPRD instituted a new annual horse pass and FRSP sold 100 of them the first year.

Flooding was also a problem for the park in 2011 as the Sheyenne River threatened the visitor center and kept FRSP from setting up canoe/kayak operations. These operations are very popular during the summer months as visitors spend hours on the Sheyenne River.

The interpretive program was expanded in 2012 with Saturday afternoon programs called "Country Farm Life." Homesteading skills were put on display at the Sunne Demonstration Farm and tours were given.

North Dakota State Parks



FORT STEVENSON

Fort Stevenson State Park holds the distinction of being the state park system's most popular venue leading in visitation, camping nights and revenues. The addition of the new deep water Garrison Bay Marina is bringing new dollars into the operation.

NDPRD continues to make improvements to both marinas - Garrison Bay and deTrobriand Bay - and added electrical service to the Garrison Bay marina in 2012. The park held 24 special events during the last biennium which further increases FSSP's popularity. Cycling Around North Dakota in Sakakawea Country (CANDISC) celebrated its 20th anniversary in 2012 and the Governor's Cup Fishing Tournament turned 38 years old.

Projects in 2013 will include: tree plantings, painting of the Guard House Visitor Center and installation of a new water reservoir system.

The park maintains close ties to the community of Garrison with each entity providing support which benefits each. FSSP is becoming a major access point of Lake Sakakawea and Garrison is very active in promoting the lake and servicing area sportsmen.

The continued rise of Devils Lake left Grahams Island nearly inaccessible at times during 2011 forcing the state to raise the Island Road at a cost of \$15 million. Work was completed in August of 2012 assuring access to Grahams Island for years to come.

The inundation of the road and eventual road work to raise it did impact visitation and camping at GISP. After seeing visitation fall to less than half of normal, it did recover to about 75,000 visitors in 2012, about 75 percent of a normal season. Operations have returned to about normal, the park's four sleeping cabins saw full occupancy this past year.

Construction is underway on an additional 48-unit modern campground at GISP and should be complete by the summer of 2013. Other projects completed included asphaltting of the boat ramp area; several vault toilets were resided; an interpreter's office built, two FEMA park homes were secured for seasonal housing; 50 tables constructed for the new campground; and a 10-acre prairie restoration. Final plans are being prepared to plant 13,000 trees and shrubs at the park, a mitigation project through the Enbridge Energy Corporation.

Future projects involve a new amphitheater, visitor/ office facility, additional sleeping cabins, an enhanced trail system and various cyclic repairs.

ICELANDIC

Construction continues on Renwick Dam and park traffic will be detoured throughout the upcoming year. But camping nights and park revenues remain consistent despite the project dividing the park in half.

The 2011 camping season was the fifth record year for camping and the 2012 season is just 1 percent behind that pace. The past two years are showing an overall 16 percent increase in camping numbers. Nearly 60 percent of the park's visitors are Canadians with 35 percent North Dakotans and the remainder from



other states.

ISP has strong ties to the local communities and volunteers from those communities account for nearly 4,000 hours of work every year. The North Eastern North Dakota Heritage Association is a strong supporter of the park. In 2012 the NENDH finished the final construction on the research library at the park's Pioneer Heritage Center and have designated over \$40,000 for future exhibits.

LAKE METIGOSHE

Lake Metigoshe State Park celebrated its 75th anniversary in 2012 and it was one of the most successful years in the park's history. The park exceeded visitation numbers for over the past 20 years with nearly 140,000 visitors expected by year's end.

Construction on the expanded trail system was completed and LMSP now has just over 18 miles of multi-activity trails. The trails connect cabins, other trail areas and have opened new areas to explore and offer great diversity to a number of users throughout the year.

The park's top challenges continue to be maintaining infrastructure and maintaining a dependable and motivated staff being able to maintain the high-level of service visitors to the parks have come to expect.



LAKE SAKAKAWEA

Despite flooding of the Missouri River in 2011 Lake Sakakawea State Park saw record numbers of visitors. There was some flooding of the park, but the majority of campsites were unaffected.

The huge increase of population in the Bakken oil fields also impacted the number of people looking for recreation opportunities. Campsites and lake access were in high demand. There was also an increase in the issues requiring law enforcement. The lake became a big draw for fishermen and recreational boaters as access to the Missouri below the dam to Bismarck was closed due to the unprecedented flooding.

Due to a lack of housing in the area, keeping track of transient workers attempting to live in the park was a continual problem for park staff.

LEWIS AND CLARK

In correlation with the oil activity taking place in western North Dakota, visitation and camping numbers have skyrocketed at Lewis and Clark State Park, showing nearly a 400 percent increase over the past two years. The park has been hard pressed to keep up

with the surge in demand and is looking to add a FTE this biennium.

Projects completed this past biennium include the addition of 40 new boat slips, electrical upgrades for 12 campsites and the roads were chip sealed. The boat slip rentals have been at 100 percent, even though Lake Sakakawea has dropped seven feet, threatening the viability of the marina.

The explosion of the area's population has increased prosperity regionally and statewide, but is also reflected in criminal activity and the park manager has an increased law enforcement role. The park also faces challenges in negating the impacts of oil operations which are being developed just outside the park's boundaries.

LITTLE MISSOURI

While flooding didn't directly impact Little Missouri State Park in 2011, saturated soils became unstable and a lot of sloughing affected park trails and access to the park. Poor trail conditions and road construction affected visitation.

A lot of trail work took place in 2011 to repair damage and was completed in 2012. All the trails were



either repaired or rerouted and are now open to the public. Little Missouri State Park marked its 40th anniversary in 2011 and it was featured on the NDPRD annual vehicle pass. A celebration of the anniversary was held late in the summer.

A much needed park improvement was completed in 2012, with the construction of a pay shower facility.

SULLY CREEK

Sully Creek State Park also succumbed to the flooding of 2011 as the Little Missouri River jumped from its banks and inundated the park, closing it for nearly a month during the spring. In 2012 Sully Creek was caught up in drought conditions and in the midst of several wildfires, though none did any damage.

Oil field activity is reflected in the parks visitation and camping numbers which have dramatically risen. The park, which was just an afterthought for many campers because of its nearness to the national park, is now as busy as it's ever been on a continuous basis. Reservations for horse sites were taken for the first time in 2012 and staff workload has increased tremendously as oil workers attempt to set up long term residence in the camping area, which is limited to 14 days a month.

More staff are needed for the park, but because of the economic climate in the area it's difficult to recruit workers.

TURTLE RIVER

Of North Dakota's 13 state parks, Turtle River was the least affected by the floods of 2011 and it was reflected by strong visitation and camping numbers during the past biennium.

A stream bank stabilization project was completed in 2012 along with replacement of the Agassiz vault toilet with new accommodations. Both projects were almost immediately vandalized, but have been repaired.

The park debuted a new program to go along with its Campground Host program, called "Work Campers." A full-service campsite is provided in exchange for 20 hours of labor. The program has been successful and could be expanded to further hours due to the interest.

TRSP did extend a sidewalk and created a handicap parking area to better accommodate two handicap accessible units of the Woodland Cabins. This allows those using the cabins to park much closer and improved wheelchair access. Air conditioning and dehumidifiers were installed in 12 Woodland Cabins to battle moisture and mold problems.

Planners manage to mix oil and water

The Planning Division continues to work in "oil country" on issues with oil development affecting state parks. Little Missouri and Lewis and Clark state parks are the most impacted from visual/noise impacts. Increased visitation and facility use at other western parks, while good for business, takes its toll on park facilities and infrastructure. Division staff provide support for park staff in the area of repairs and have shifted large project priorities to these parks most heavily impacted.

Extensive work was done with FEMA and the state's Division of Emergency Services in completing 2011 disaster recovery projects. There were major recovery work projects at the Fort Abraham Lincoln State Park campground, and Little Missouri State Park trail system. There was less damage at Fort Ransom State Park along with debris removal from flood prevention work at Fort Stevenson State Park.

At the Fort Lincoln State Park campground, planning developed a flood mitigation approach to two heavily damage sectors of the campground; the electrical service and camping cabins. Future flood issues with these two developments should be significantly reduced. A development master plan is being updated at Fort Abraham Lincoln State Park. The existing master plan was developed in 1978 and is outdated. The updated plan will incorporate contemporary uses, demographic changes, and recently acquired lands.

Division staff are doing preliminary assessments of U.S. Army Corp of Engineer properties on Lake Sakakawea and Oahe. This is done in response to a COE request that NDPRD consider managing certain recreation sites on these reservoirs. Due to lack of budget funding the COE feels it no longer can continue to effectively operate the recreation sites.

An additional project manager was provided Planning by the agency moving a FTE position from another division within the Department. Vaughn Rhodes was hired to fill the position in February of 2012. Vaughn is a ND registered architect. We look forward to his professional expertise assisting with projects in the division.

Carpenter Jerry Grasl rebuilt 32 windows for the reconstruct-

ed military barracks at Fort Abraham Lincoln State Park. Significant maintenance repairs continue to plague these buildings. The FALSP Cavalry square granary was completely repainted by contract this past summer. Numerous siding and trim boards needed replacement prior to painting. Approximately \$25,000 was spent on this project.

The Planning Division has completed 7 of the 9 biennium large capital project budgets at this time. Close out invoices are all that remain. The biennium capital budget was \$4.2 million - the Division is satisfied with the progress on these projects.

Planning Division staff set project priority lists, budget allowances for the Major Improvement, and Capital Improvement budget prep for the 2013 - 15 biennium budget request. The

division priorities continue to focus on maintaining the public investment already in place and improving facilities for our visitors.

Several "FEMA Trailers" were purchased by the agency to replace old FEMA trailers. Planning Division staff have been designing and installing upgraded electric, water and sewer for 10 of these units.

RTP (Recreational Trails Program) trail projects were completed at Turtle River, Lake Metigoshe and the Pembina Gorge. Division staff completed the preliminary scoping, layout/design. Private contractors built the trails. Trail kiosk and intersection signing is ready for spring installation.

Jason Johnston continues to refine the agency TMA data base program. The program is a valuable tool for the department physical assets, insurance, emergency equipment etc. Some hesitation remains with field staff in operation of the system and input of data. Jason also completed a WHIP stream bank stabilization project at TRSP.

Preliminary design plans are being set in motion for 2013-15 biennium projects.



The NDPRD is developing a new master plan for Fort Abraham Lincoln State Park.

Planning for the future

The Recreation Division completed the 2013-2017 Statewide Comprehensive Outdoor Recreation Plan (SCORP). The plan measures outdoor recreation supply and demand along with setting regional funding priorities for the next five years. The SCORP is a guide form managing and developing the state's non-consumptive outdoor recreation base.

Outdoor recreation plays a significant role in the quality of life of North Dakotans. Outdoor recreation improved the health and well-being of the state's citizens promotes the conservation of the land, and contributes to the state's economy as one of the primary drivers of tourism, North Dakota's third largest industry.

Key findings of the SCORP:

- North Dakota households and outdoor recreation providers were surveyed in 2012 to determine the demand for and supply of non-consumptive outdoor recreation in the state. More than one out of every two North Dakota households (55 percent) feel outdoor recreation is very important and 93 percent feel it is important.
- Providers of outdoor recreation facilities in North Dakota include government agencies at the local, state, and federal levels, as well as nonprofit organizations. Overall, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply for their users.
- Unmet funding needs reported by ND Outdoor recreation providers are in excess of \$104,000,000 over the next five years.

Statewide priorities based upon the surveys of North Dakota households and outdoor recreation providers were divided into three groups – primary, secondary and tertiary. Primary priorities included non-motorized trails, campgrounds and playgrounds/picnic areas/open space parks. Secondary priorities involved water-related areas pools/beaches/water access along with sports courts and fields. Tertiary priorities were winter sports facilities and motorized trails.

While surveys show interest in outdoor recreation is high among North Dakotas, resources for development, renovation, and maintenance is finite, making it critical to prioritize needs. Funding along with active partnerships are essential to meeting these needs.

The SCORP implementation plan relies heavily on enhancing outdoor recreation across the state through educating and engaging North Dakotans to ensure diverse outdoor recreation opportunities are available to citizens and visitors.

The Statewide Comprehensive Outdoor Recreation Plan will be made available online in January at the North Dakota Parks and Recreation Department website www.parkrec.nd.gov.



Community Assistance

The Recreation Division offers various grants to communities to aid in outdoor recreation facility and trail development.

- Recreational Trail Program Grants – granted out 1.1 million dollars for 11 trail projects.
- Land and Water Conservation Fund Grants – granting out \$330,000 for approximately 6 outdoor recreation facilities.
- Coordination of the ND Scenic Byways Program's 10 different byways and backways, which cover over 440 miles of the most scenic areas in the state.
- The first ever ND Trail Conference was offered in 2012 bringing together over 60 trail and recreation stakeholders and providers to learn and discuss the future of recreational trails in ND.

Motorized Recreation

The Pembina Gorge State Recreation Area (PGSRA) Grand Opening was held June 30th, 2012. The PGSRA is home to the state's first major OHV recreation area and includes over 20 miles of trail nestled in the scenic Pembina Gorge just minutes from Walhalla, ND. Development of trail facilities will continue for the next several years in an effort to establish the PGSRA as a regional OHV destination.

The Recreation Division, in partnership with Snowmobile North Dakota, continues to offer snowmobile trail opportunities for ND residents and visitors. The Snowmobile Trail system comprises over 2800 miles of trail and utilizes 100's of volunteers and a fleet of 14 Tucker Sno-cats to groom and establish the trails each season.

New strategic plans for both the OHV and Snowmobile Programs were completed this year and will guide program management over the next five years.

Safety Outreach

Over 360 children, age 12 and up, were certified at snowmobile and OHV safety courses.

OHV and snowmobile outreach efforts reached over 2500 people at safety fairs, presentations and conferences.

Guiding conservation efforts

In 2012, the NDPRD Natural Resource Program (NRP) continued to provide the best available information to guide conservation actions, promote sound stewardship practices and foster awareness of natural resources.

The NRP worked with park staff in

the planning and implementation of conservation projects. Program staff conducted inventories and assessment to evaluate vegetation resources.

Noxious weed control program continues to be one of the best in the state with detailed inventory, high tech mapping and biological technician's treating 95 percent of all weed infestations in the park system. NRP continued to develop databases and geographic information systems for state parks and statewide species of concern and significant ecological communities. NRP continued the promotion of knowledge, enjoyment and stewardship of North Dakota State Park's natural resources through a variety of education and outreach activities.



Natural resource planning

- Develop and update of prescribe burn plans as requested.
- Develop Talkington site summary report.
- Participate on FALSP master planning committee.
- Developed tree planting plan for GISP, FALSP and CRSP.

Inventory, monitoring, mapping, assessments

- Vegetation inventory and assessment on Natural Areas and potential nature preserves.
- Prairie restoration monitoring on all restorations for 23 years post planting (FSSP, LSSP, FALSP, DLSP and C SP).
- Surveyed Western prairie fringed orchids in the Sheyenne National Grasslands.

Conservation projects and technical assistance

- Noxious weed control - chemical, mechanical and biological.
- Restored CRSP flood impacted areas to native grasses.
- Develop tree and shrub planting designs and plans for FALSP, CRSP and GISP.

Spatial and tabular data maintenance

- GIS mapping of Talkington Nature Preserve.
- Completed over 30 Natural Heritage data requests and over 250 formal environmental reviews.
- Noxious weed spray maps.
- NatureServe Natural Heritage Data transfer.
- Updated trails maps for CRSP, LMoSP and LMSP.
- Plant Species of Conservation Priority

Addendum to ND Wildlife

Action Plan including species profiles and distribution modeling maps products.

Information and education outreach

- FALSP Master Planning - interpretation and education programs
- FALSP and LCSP self-guided trail enhancements and brochures
- FALSP and LCSP interpretive panels
- Natural Areas Registry Brochure
- Kids page for Discover
- Nature News on NDPRD website
- Earth Day festival
- State Fair education programs
- Becoming an Outdoors Woman Workshop at LMSP

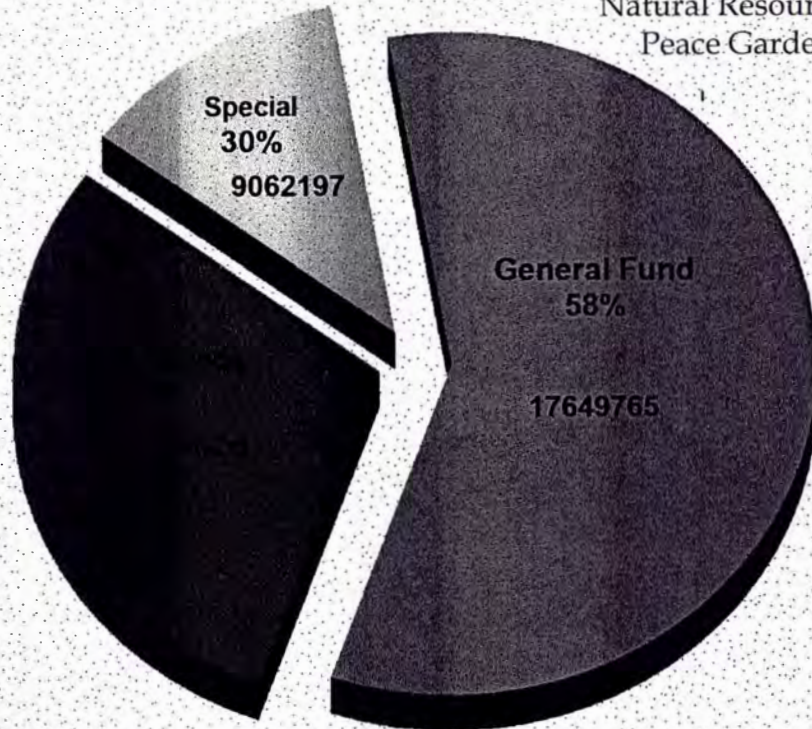
Funding Sources 2011-2013

Special Funds

Snowmobile \$780,240
 Off-Highway Vehicle \$425,000
 Gift Fund \$189,961
 Annual Pass Fees \$596,430
 Daily Pass fees \$448,100
 Camping Fees \$2,782,036
 Cabin Fees \$357,850
 Marina Fees \$332,850
 Mineral Lease One Time \$3,150,000

General Funds

Administration \$2,167,660
 Recreation \$334,931
 Natural Resources \$14,135,771
 Peace Garden \$1,040,699



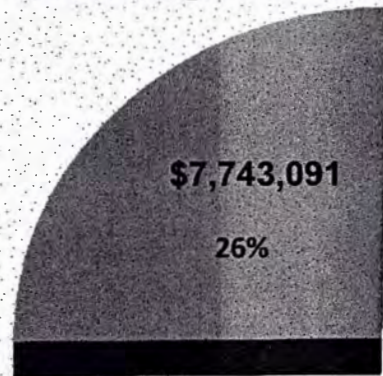
Federal Programs

Scenic Byways \$196,055
 LWCF \$2,654,533
 RTP \$3,686,042
 Misc. \$170,000
 G&F \$80,000

Budget 2011-2013

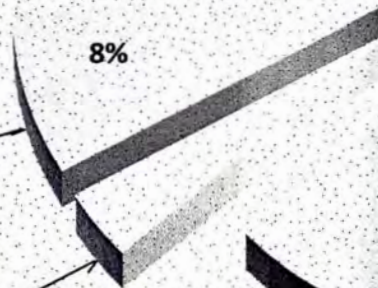
Recreation

\$334,931 FG
 \$5,937,335 FF
 \$1,470,825 OF



Administration

\$2,167,660 FG
 \$317,225 OF
\$2,484,885



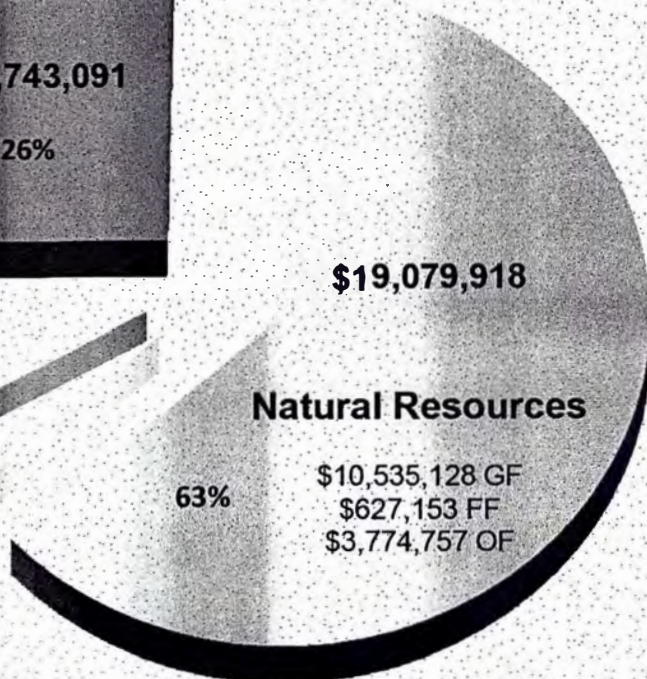
Peace Garden

All GF 3%
\$1,040,699

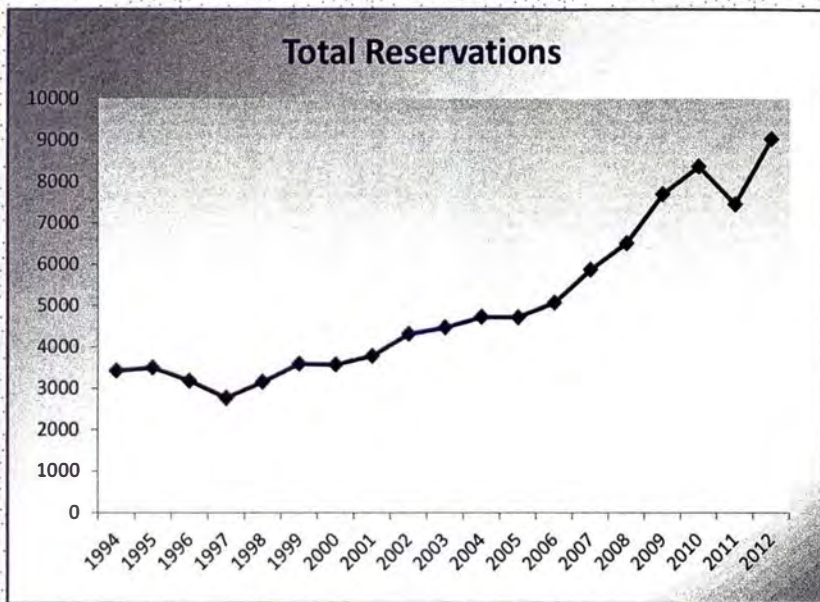
\$19,079,918

Natural Resources

\$10,535,128 GF
 \$627,153 FF
 \$3,774,757 OF



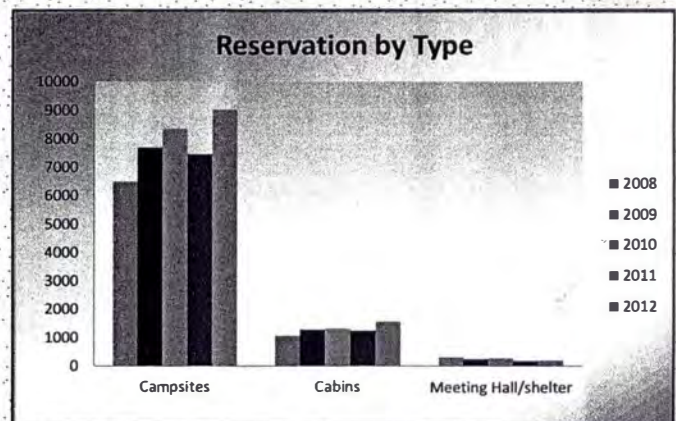
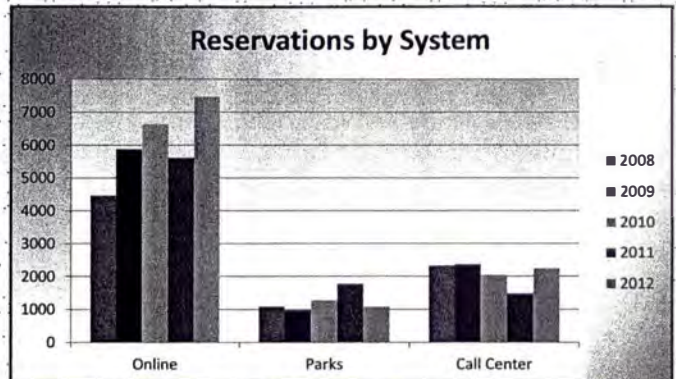
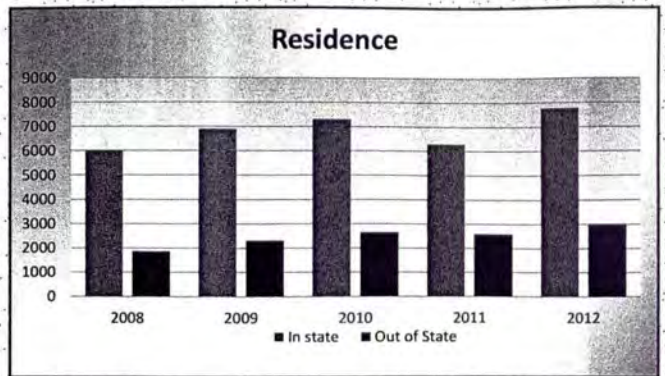
Reservations



Reservations continue to grow

Campsite and Cabin reservations for the 2012 season reached an all-time high of 10,637 bookings and generated over 27,000 overnight stays in North Dakota state parks. All parks have seen increases in reservations over the past 5 years; however those in western ND have jumped 23 percent to 29 percent.

Seventy-nine percent of reservations were booked using the online system, a trend that has been rising steadily since the North Dakota Parks and Recreation Department first offered this option in 2008. Other campsite and cabin reservations are made through a telephone reservation center.



Fort Abraham Lincoln State Park's future

A master plan for Fort Abraham Lincoln State Park is being developed by the North Dakota Parks and Recreation Department. YHR Partners Architecture Planning is under contract by NDPRD to coordinate the effort which includes a NDPRD internal committee, citizen's advisory committee and public meetings. This is the first in a series of master plans the NDPRD is considering for its parks.

The citizens' group, represented by local leaders and related state agencies, met twice with the NDPRD internal committee to discuss the strategic plan and determine what should be considered along with the top priorities. Expansion of camping was considered by many to be the top priority and a proposal for developing a new campground south of the Commissary had the greatest appeal.

Members of the citizen's group also pointed out that the parks

attractions – the campground, On-A-Slant Indian Village, Cavalry Square, the Blockhouses, Stables and museum – were spread across the park and providing visitors with transportation from location to location is desirable.

Park administrative offices are in a building tucked behind the museum and often difficult to find. Building a new visitor center/administrative building near the park's entrance would make it more easily accessible and improve security.

These projects and others will be detailed at a public meeting scheduled for Jan. 9, 2013 at Mandan's new middle school. The public will be asked to weigh in on what they feel about the proposed projects and provide any other input on development of FALSP.

Keeping the public informed and preparing for the NDPRD's 50th anniversary

Communications is an important component of the North Dakota Parks and Recreation Department as it informs the public of what is available through the department using a variety of methods.

During the course of a year the Public Information Officer (PIO) will distribute between 60 and 70 press releases regarding NDPRD events, programs and activities. These are sent via email to North Dakota's media including newspapers, radio and television. Along with the press releases for activities and events the PIO creates materials such as posters and flyers to help market these events. The PIO also handles media requests for interviews and information.

The department publishes a variety of materials. In 2011 and 2012 the NDPRD distributed a number of new brochures including:

- State Parks Guide
- Beaver Lake brochure
- Turtle River brochure
- Fort Stevenson brochure
- Cross Ranch brochure
- Fort Ransom trail guide
- Cross Ranch trail guide
- Fort Stevenson trail guide
- Guide to parks allowing horseback riding
- Pembina Gorge OHV trail guide

Each year the department participates in Sports Shows which precede the camping season. These include shows in Bismarck, Minot, Fargo, Williston and Grand Forks. In 2012 the NDPRD held an outdoor exhibit at the North Dakota State Fair and will return in 2012. This year the department is again holding "Parks Day at the Capitol" which it first held in 2010.

Twice a year the department issues its newsletter, Discover, which is distributed through the state parks and by mail to park annual vehicle pass holders. Approximately 32,000 Discover's are sent out in the course of a year. Every other year the department puts out a comprehensive report in conjunction with the state's legislative session to provide lawmakers with information about NDPRD.

In the past five years NDPRD has taken a more active part in use of social media which is detailed in the information technology article also on this page. The NDPRD website, www.parkrec.nd.gov, is a good source of information for the public and is also the doorway to the secure online management system which allows the public to make reservations at state parks.

Marketing of the department prior to its 50th anniversary in 2015 is now being planned with several projects being considered.

IT continues to make strides in the social media arena

With the increasing importance of electronic communications the North Dakota Parks and Recreation Department is attempting to keep connected with its staff and customers through the various tools afforded.

The NDPRD is spread over 13 parks statewide with headquarters in Bismarck. There are approximately 100 computers active within this system using a variety of software packages beyond the normal office productivity tools including the online management system, GIS/GPS tools, a cyclic maintenance tracking program, Biotics, etc. The NDPRD maintains a department website, an intranet site and social media sites including Facebook, Flickr and YouTube.

The network connectivity needs of park staff have increased exponentially the last few years with the addition of the online reservation system, cyclic maintenance tracking system, PeopleSoft, etc. The NDPRD is looking at being able to offer the public WiFi access in the parks in the future. This year NDPRD was able to (via stimulus money from the federal government) add Ethernet connections to three of our most connectivity challenged parks, Lake Metigoshe, Fort Abraham Lincoln and Turtle River. Plans are to provide limited public WiFi access in these parks in 2013. The department will also develop a plan to offer public WiFi access in other parks.

The NDPRD website, www.parkrec.nd.gov, had 230,000 visits in 2012. Of those, 210,000 were from the United States, 18,758 were from Canada and the rest from all over the world. The number of visitors to the NDPRD website using smartphones and tablets are growing. The department does have a mobile version of the website available, but plans are to make it more mobile friendly in the future.

With the social medias becoming an important method of communications the NDPRD has had some success in using FaceBook, Flickr and YouTube to raise awareness about the state parks, events, activities and available programs. The State Park FaceBook page has nearly 1,100 people and organizations that have "Liked" the page.

The department continues to develop its Flickr page. This page has many photos that park staff have taken in the parks of scenery, wildlife, events and activities. Staff use the site to find photos for presentations, etc. It is available to the public which can use the pictures on a limited basis and it allows people to see what NDPRD has to offer. (Photos may not be used for advertising outside of North Dakota State government or without the permission of the NDPRD. The public can use images for purposes such as school reports and desktop backgrounds.)

The NDPRD YouTube site has a few Public Service Announcement videos and a handful of videos taken by staff in the parks. This site is a work in progress. Eventually the NDPRD wants to post videos from events, wildlife sightings, programs and activities.

State Park Statistics

Beaver Lake State Park

Acres - 283
 Visitation
 2011 - 18,769
 2012 - 17,853
 Camping
 2011 - 1,311
 2012 - 1,285
 Cabins
 2011 - 184
 2012 - 206
 In-State
 2011 - 95.5%
 2012 - 95.2%

Cross Ranch State Park

Acres - 589 (300 leased)
 Visitation
 2011 - 51,099
 2012 - 49,866
 Camping
 2011 - 526
 2012 - 1,322
 Cabins/Yurts
 2011 - 172
 2012 - 280
 In-State
 2011 - 74%
 2012 - 83.6%

Fort Abraham Lincoln State Park

Acres - 1,006.13
 Visitation
 2011 - 100,467
 2012 - 153,328
 Camping
 2011 - 487
 2012 - 5,910
 Cabins/Tipis
 2011 - 7
 2012 - 177
 In-State
 2011 - 35.3%
 2012 - 68%
 Horses
 2011 - 0
 2012 - 110

Fort Ransom State Park

Acres - 946.7
 Visitation
 2011 - 37,084
 2012 - 36,184
 Camping
 2011 - 1,870
 2012 - 2,131
 In-State
 2011 - 73.7%
 2012 - 77.4%

Fort Stevenson State Park

Acres - 549
 Visitation
 2011 - 137,536
 2012 - 152,177

Camping

2011 - 8,726
 2012 - 8,810

Cabins

2011 - 500
 2012 - 464

In-State

2011 - 90.2%
 2012 - 91.1%

Horses

2011 - 543
 2012 - 994

Grahams Island State Park

Acres - 1,122
 Visitation
 2011 - 53,173
 2012 - 72,750
 Camping
 2011 - 4,338
 2012 - 8,365

Cabins

2011 - 394
 2012 - 542

In-State

2011 - 56.7%
 2012 - 59.8%

Icelandic State Park

Acres - 912.26
 Visitation
 2011 - 29,604
 2012 - 29,528

Camping

2011 - 9,292
 2012 - 8,900

Cabins

2011 - 236
 2012 - 217

In-State

2011 - 34.8%
 2012 - 35.2%

Lake Metigoshe State Park

Acres - 1,585.7
 Visitation
 2011 - 133,391
 2012 - 141,457
 Camping
 2011 - 1,131
 2012 - 6,025

Cabins/Yurts

2011 - 478
 2012 - 610

In-State

2011 - 80.3%
 2012 - 72.5%

Lake Sakakwea State Park

Acres - 1,284 (COE lease)
 Visitation
 2011 - 114,631
 2012 - 119,688
 Camping
 2011 - 8,784
 2012 - 9,434

Cabins

2011 - 160
 2012 - 168

In-State

2011 - 91.1%
 2012 - 85.4%

Lewis and Clark State Park

Acres - 490 (COE lease)
 Visitation
 2011 - 86,266
 2012 - 105,820

Camping

2011 - 7,197
 2012 - 8,412

Cabins

2011 - 243
 2012 - 249

In-State

2011 - 57.8%
 2012 - 68.5%

Little Missouri State Park

Acres - 4,592 (3,687 lease)
 Visitation
 2011 - 13,665
 2012 - 19,866

Camping

2011 - 1,191
 2012 - 1,381

In-State

2011 - 68.2%
 2012 - 69% %

Horses

2011 - 1,662
 2012 - 2,231

Sully Creek State Park

Acres - 80
 Visitation
 2011 - 65,283
 2012 - 67,776

Camping

2011 - 1,470
 2012 - 1,333

In-State

2011 - 37.6%
 2012 - 39.8%

Horses

2011 - 968
 2012 - 1,016

Turtle River State Park

Acres - 783
 Visitation
 2011 - 76,284
 2012 - 78,497

Camping

2011 - 3,833
 2012 - 4,041

Cabins

2011 - 452
 2012 - 463

In-State

2011 - 48.3%
 2012 - 54.8%

NDRPA

North Dakota Recreation & Park Association •



HB 1019
House Appropriation - Educ. & En.
Jan 15, 2013
Attachment 4

advancing parks and recreation for quality of life in North Dakota

Testimony of Ron Merritt
North Dakota Recreation & Park Association
To House Appropriations Committee
Education & Environment Division
In Support of HB 1019
Parks and Recreation Department Appropriation
Tuesday, January 15, 2013

Chairman Skarphol and Members of the Committee, my name is Ron Merritt, and I am a board member of the North Dakota Recreation & Park Association (NDRPA) and director of the Minot Park District. NDRPA represents more than 500 members across the state and works to advance parks and recreation for an enhanced quality of life in North Dakota. I am here on behalf of NDRPA in support of House Bill 1019.

North Dakota's system of public parks and recreation programs is an essential community service, encouraging healthy, active lifestyles for our citizens; playing a significant role in advancing tourism; and supporting economic growth through increased property values and lower health costs.

NDRPA is currently working with the Department of Agribusiness and Applied Economics at North Dakota State University on an economic contribution study for the state's 12 largest park districts and the North Dakota Parks and Recreation Department. Although the study is not yet complete, the preliminary number for the total annual economic contribution of these agencies is estimated at \$677 million. This includes direct impacts of \$254 million, which encompasses participant, spectator, and visitor spending for agency-administered programs, along with operational expenditures. Secondary impacts of \$423 million are based on the North Dakota Input-Output Model, which calculates the total business activity resulting from the direct impacts of public parks and recreation agencies. This economic contribution is based on more than 1 million visitors to state parks and more than 150,000 participants in park district programs. Further, the \$677 million impact does not even take into account all of the partner programs and users who would not be able to offer their programs without local parks and recreation facilities, such as Babe Ruth baseball and youth soccer.

NDRPA supports the Department's appropriation for operating expenses and capital projects as outlined in HB 1019. We also ask for the Committee's support for the community grant program and consideration in increasing the amount of funding. This is the only state funding now

available for community parks and recreation facilities, including playgrounds, pools, multi-purpose fields, and trails. This 50/50 matching grant program provides the state with a high return on investment, as local communities often invest more funds than required and the economic contribution of these facilities is significant to the local economy. Further, the need for this program is demonstrated in the *2013-2017 North Dakota State Comprehensive Outdoor Recreation Plan*, which states that 93 percent of North Dakota households feel outdoor recreation is important, while 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply. Finally, the estimated unmet capital need by North Dakota's outdoor recreation providers over the next five years is more than \$102 million.

With the state's strong economy and growing population, the North Dakota Parks and Recreation Department and local park districts need sufficient resources to protect our public parks. Providing safe, affordable, and accessible outdoor recreation opportunities for our citizens and visitors is essential to maintaining North Dakota's commitment to a high quality of life.

We urge a do pass recommendation on HB 1019 with funding for the community recreation matching grant program of at least \$400,000. Thank you.



HB 1019
House Appropri. Educ. & En
Jan. 15, 2013
Attachment 5

January 15, 2013 9:00 AM Roughrider Room North Dakota Legislature

Good Morning Chairman Skarphol, Vice Chairman Monson, and Committee members,

The 62nd Legislative Assembly of the State of North Dakota appropriated \$1,000,699.00 for 2011-2013 funding. The allocation included \$733,699.00 for operations plus and two capital requests including \$25,000.00 for the 911 Memorial and \$242,000.00 for the Conservatory expansion.

The Basic and the first section of the Operational Adjustment portions of this budget request will deal with the ongoing operational needs of the IPG. The current North Dakota allocation is \$733,699.00 as established during the 2011-2013 session.

Optional Adjustment Request

We have made a request for an increase of \$100,000 annually to the annual allocation from North Dakota to the IPG for \$200,000 per biennium. The Governor's budget suggests this request.

This optional adjustment request includes two areas of concern. The funds \$200,000 for the Biennium will target two core areas:

1. Wages for acquisition and retention of employees. We are now feeling the effect of the Bakken Shale Oil expansion as it moves nearer to Bottineau and Rolette Counties and it is becoming harder and harder to retain and locate young low wage workers to either make a career with us at the IPG or come and work seasonally here at the Peace Garden.

2. Enhanced advertising and promotion with our new facilities and the spectacular Succulent Collection we need to increase our advertising and promotion for the Peace Garden.

Capital Requests

The International Peace Garden is also making two Capital project requests. The first is for a pre-appropriation request to investigate the best plan of action to deal with the degradation to the columns and cross member beams of the Peace Tower and a second request for Water & Wastewater Infrastructure Upgrades.

Planning Pre-Appropriation Peace Tower

\$500,000

In 1980 the North Dakota Historical Society, The National Parks Service and the International Peace Garden worked jointly to provide funding for the design & construction of the Peace Tower.

Our Plan is to work with Kadmas, Lee Jackson (KL&J) from Bismarck North Dakota. KL&J provides a wide range of structural engineering services. Their engineers are experienced in aviation, energy, industrial, land management, transportation and water resource management structures. Their versatile team designs with a variety of building materials including aluminum, concrete, and masonry, steel and wood. They also specialize in Foundation Design, Structural Load Rating of Existing Systems, and Structural Assessments.

In the past, the ND Legislature has provided funding for pre-appropriations. We are asking for such a pre-appropriation to study of the best plan of action to deal with this problem with the Peace Tower. We believe that that the Province of Manitoba will assist in funding the actual repair of the towers so we anticipate these construction costs could be shared between Province and State. Because of the high degree of appreciation of this structure, we also believe that we could be successful in acquiring some private funds towards the future repair.

The Peace Tower was constructed from 1980 to 1983. In 1984, the base pools began leaking and had to be drained and filled with rock. In the early 1990's the concrete floors and base started cracking and

heaving. Concrete resurfacing has been ongoing to the sidewalks and floor basal area. In 2011, we spent \$25,000 resurfacing sidewalks and landings at or near the Peace Tower base.

During the winter of 2011, rust spots from the iron-rebar, reinforcing, rods started to become visible on the Peace Towers outer service. At the same time, white calcium deposits have shown up leaking down the side of the Peace Tower. In the spring of 2012 small pieces of cement have started falling and the towers cross members have visible scaring and abrasion on the horizontal connecting cross members. We are also starting to see major cracking and fracturing in the on ground basal structures. As the Peace Tower continues to degrade, the IPG will have to restrict entry to the base area of the tower and make plans to deal with the future removal of the towers.

No professional engineering study has been undertaken to date. We have had two independent contractors offer opinions concerning the towers. They both suggested that the towers would continue to degrade and eventually become unsafe for pedestrian traffic underneath them on the floor base.

We have determined that the original construction tender was for \$1,350,000 in 1980. If the Peace Tower were constructed now in 2013, the associated cost would be \$6,356,054 USD (if designed & tendered summer 2013)

It has now been 30-years since construction was completed. We want to find out through an engineering study how we can make this tower last for many, many more years or consider the costs of removing it completely.

Moreover, over hundreds of thousands of visitors have come to the International Peace Garden to see this "Iconic Peace Tower" looking across the State of North Dakota from its Northern Border.

Infrastructure Requirements

Water system	\$ 1,500,000
Sewer System	\$ 1,075,000
Roads, Ditches & Throughways	\$ 875,000
Design	\$ 245,000
General Contractor	\$ 245,000
Soft Costs	\$ 276,000
Total Costs	\$ 4,416,000

The sewer waste and water systems, were installed and renovated from the 1930's and 1950's, with the current systems being developed in the late 1970,s and early, 1980's.

These are our primary and only sources to supply our needs. At this time, there is no County source for water supply or sewage evacuation available to the International Peace Garden (IPG)

We recently completed a Water & Wastewater Assessment hiring the firm AECOM/Earth Tech working from two of their office sites in Minneapolis-St Paul, Minnesota and Winnipeg, Manitoba. We completed pipe evaluation inspected several main water unions, completed geotechnical tests and usage calculations to determine our needs. Two reports were compiled supporting the identified costs:

- (i) Waste water System Assessment for the IPG
- (ii) Water Assessment for the IPG

We believe adequate planning has been completed for this project by consulting industry experts. We do not feel that we need to incur more, exploratory costs. We believe that there is an opportunity to have these costs shared with Manitoba.

These systems are privately operated by the IPG and we have no other sources for water or treatment of wastewater available to us from Rolette County. Without these systems in operation, the Peace Garden would not be able to continue to operate.

Respectfully,
Doug Hevenor, CEO

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HB 1019



P.O. Box 309 : Garrison, North Dakota : 58540 : friends@lakesakakawea.com : www.lakesakakawea.com

February, 2013

On January 15, 2013 the ND Parks and Recreation Department's appropriations bill (HB 1019) was heard by the House Appropriations Committee's Education and Environment Division, the chair of which is Rep. Bob Skarpol and vice chair is Rep. Dave Monson. Late in the presentation by Parks senior staff, the questions turned to their intended purchase of Captain Kit's Marina at Lake Sakakawea State Park.

Said purchase is very much up in the air at this point, they said. What I learned from the Parks presentation and from conversations thereafter is that the Parks appropriation bill shows up to \$800,000 coming from "other funds" or, more specifically, the Parks' oil royalty fund. That fund currently has about \$1.2 million in it and the funds to purchase Captain Kit's docks, if there is an agreement to do so and if that portion of the Parks appropriation bill passes into law as written, would come from there.

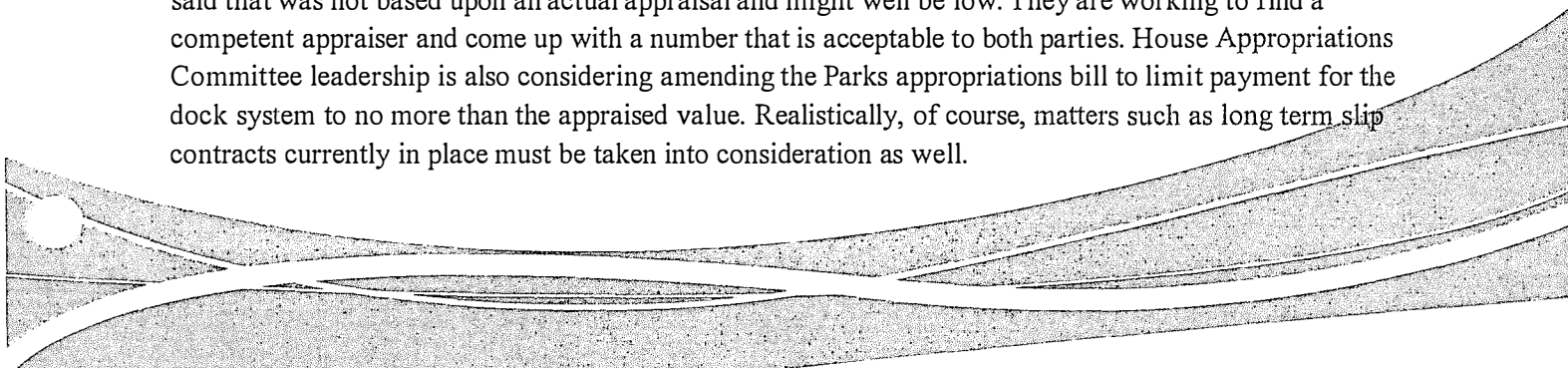
For clarification, this oil royalty fund, derived from the Department's mineral revenues, has been used to pay for the following legislatively approved or emergency projects in the past:

- Augment and complete electrical service on the Garrison Bay marina docks
- Make emergency repairs on the Garrison Bay floating breakwater cables and anchors
- Renovate the HVAC system in the Garrison Bay concession building – original COE design was not functioning properly.
- Repair/replace damaged anchor cables on DeTrobriand bay docks
- Complete major road renovations, chip and seal asphalt roads at Lewis and Clark State Park
- Renovate potable water delivery system at Ft. Stevenson State Park

The intent of the Parks appropriation bill is to insure that no taxpayer money is used to purchase the docks. The budget submitted by the Governor calls for \$400,000 to come out of that oil royalty fund and \$400,000 from the general fund; the source of monies in the latter fund being taxpayers. The Parks appropriation bill and the Governor's budget have yet to be reconciled.

The current Lake Sakakawea State Park marina owners, Kit and Faye Hennegar, were initially asking \$1.2 million for the operation. No private buyers came forward at that price and so negotiations with the state have followed.

Parks is reportedly having a very difficult time getting an appraisal and, at this point, no decision has been made as to how to proceed. There was some suggestion that the value was \$350,000 but a Parks official said that was not based upon an actual appraisal and might well be low. They are working to find a competent appraiser and come up with a number that is acceptable to both parties. House Appropriations Committee leadership is also considering amending the Parks appropriations bill to limit payment for the dock system to no more than the appraised value. Realistically, of course, matters such as long term slip contracts currently in place must be taken into consideration as well.



Parks testified that they intend to own and operate the marina at Sakakawea State Park, once they acquire it, just as they operate the marinas at Fort Stevenson and Lewis and Clark State Parks on the lake. They were asked if they would consider a private concessionaire to operate the marina and they said they would but were not optimistic about that prospect.

Private contractors who have operated marinas at state parks in North Dakota have always had a hard time making a profit, which is what private contracting is all about. The new Fort Stevenson marina constructed by the federal government in 2010 was operated by a private concessionaire for one year and then last year the state took over operations.

The Garrison Area Improvement Association (GAIA) leased the docks in the DeTroibriand Bay marina at Ft. Stevenson for one year in 2011 and then the dock owners sold those docks to Parks. The purchase price was based upon an appraisal that all parties agreed to that was conducted by Dock Realty, POB 8, Lake Ozark MO, telephone 573-374-8848, and web site www.dockrealty.com.

Parks initially set slip rates for both Ft. Stevenson State Park marinas that increased annual slip rental fees by 150%:

26' - \$1,950	30' - \$2,250	36' \$2,700	40' - \$3,000	42' - \$3,150	46' - \$3,450
Plus shore power @ \$400 and winter storage @ \$150					

GAIA would not agree to these prices and a three year pricing deal was negotiated with Parks as follows:

26' - \$1,430	30' - \$1,650	36' - \$1,980	40' - \$2,200	42' - 2310	46' - \$2,530
Including shore power and winter storage					

The slips at both marinas at Ft. Stevenson State Park were full last year at the above rates.

For purposes of comparison, Hennegar, at the Sakakawea State Park marina, has required a minimum of a three year contract for slip rentals. One three year contract for a 26' sailboat at Kit's Marina just ended. The annual slip rental fee during the term of this contract was \$950 and included trailer and winter storage, but not shore power.

A Parks staffer stated at the legislative hearing that if and when Parks takes over the Sakakawea State Park marina the slip fees will be consistent with those at their other state operated marinas on the lake. If the state does purchase the docks in the end, it is hoped that the indoor toilet facilities there will be opened to the public just as are the outhouses currently provided.

A related issue that needs to be addressed with Parks has to do with the gin poles located at state parks and which are used to raise and lower sailboat masts. A very unfortunate accident occurred a couple of years ago when a mast came crashing down during use because no one had been maintaining the gin pole at Sakakawea State Park and a sailor was seriously injured. Raising a mast without a gin pole involves bringing in a crane, the use of which normally costs around \$1000 or so. Use of a crane is unnecessary if a properly maintained gin pole is available.

H131019
Feb 15

Abach
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What was here in 1988?



What Is Here Today Is A World Class Marina





FLOATING DOCKS MFG. Co.

1/9/2013

Capatin Kit's Marina
 Attn: Kit Henegar
 P.O. Box 616
 Riverdale, ND 58565

Re: Captain Kit's Marina

Dear Mr. Henegar:

Please find listed below budgetary estimates for the marina as requested.

Budgetary Estimates

Docks	SF	\$ per S.F	Total
North Shore	5300	40	\$212,000.00
Power Pedestals NS			\$32,500.00
Marina Access Walkways	2624	38	\$99,712.00
Floating Store/Gas Dock	4250	44	\$187,000.00
Power Pedestals FS/GD			\$5,000.00
CAD Docks	4000	30	\$120,000.00
No Utilities			
Bay Front	8567	42	\$359,814.00
Power Pedestals			\$40,000.00
	24741		\$1,056,026.00

Total Estimate does not include utilities, fresh water pipe line, gas pumps, sewage pump out facilities, and dry stack building.

Sincerely,


 Christopher Gaughan

Atlantic Meeco

THE MARINA COMPANY

In the interest of servicing our client's needs, we offer the following *opinions of probable cost* to assist you in preparing the figures that you require. Please keep in mind that dock values vary with the design characteristics, manufacturer, anchoring system, accessories and more. These opinions are not to be used for legal purposes.

Atlantic-Meeco Standard Docks

	Double Sided Covered Slips	Double-Sided Open Slips
10' x 20'	\$6,247	\$4,610
11' x 24'	\$6,873	\$5,024
12' x 28'	\$8,277	\$5,623
12' x 30'	\$8,911	\$5,751
14' x 32'	\$9,544	\$6,057
14' x 36'	\$10,472	\$6,566
16' x 40'	\$13,421	\$7,017
16' x 44'	\$15,039	\$8,429
18' x 50'	\$18,522	\$9,809
20' x 60'	\$23,108	\$12,118
20' x 70'	\$26,537	\$13,232
22' x 80'	\$39,779	\$20,582
24' x 90'	\$45,319	\$22,839
24' x 100'	\$49,243	\$24,676

Standard dock prices include 8% sales tax and 500 miles for shipping
Winch and Cable anchorage
Concrete Decking

Accessories

Gangways	\$40 per square foot
Mainwalks (Open)	\$30 per square foot
Ship Store Platforms	\$48 per square foot
Wave Attenuator	\$800 per lineal foot

Electrical Service On Docks

20' Slip - Min. elec. and lighting	\$1,250/Slip
25' Slip - 110 each slip and lighting	\$1,875/Slip
30' Slip with 30 AMP service	\$2,650/Slip
40' Slip with 30/50 AMP service	\$3,225/Slip
50' Slip with 50/50 AMP service	\$4,450/Slip

Potable Water System

\$300/Slip

Telephone and Cable TV

\$300/Slip

Sewage Pump-Out System

\$22,500 per system

Fuel Dock

Fuel lines, tanks, pumps, and controls	Small Operations	\$175,000
	Large Operations	\$250,000

Bay Front System

This is a ocean front quality system consisting of 36 slips ranging in size from 12' x 25' to 25' x 70'. It is constructed of 12" truss frame galvanized steel with fully encased flotation. It is held in place by 18 5 ton winches with 9000 feet of 5/8" galvanized cable which is attached to 18 8' x 4' 10,000 pound concrete anchors.

Each finger is stabilized by an underwater truss system which runs 7 feet deep along the entire perimeter of the system connecting each finger to the next one. This consists of 712 running feet of triangular truss with 80 separate legs connecting it to each finger.

There are 16 Marina Power pedestals serving the slips on the system with both 30 AMP and 50 AMP power available to the slips. Each slip has fresh water. All electrical wiring and metering of the slips is inclusive.

The system includes the following.

1. 7 each 35' x 3' fingers
2. 5 each 30' x 3' fingers
3. 8 each 25' x 3' fingers
4. 2 each 40' x 3' fingers
5. 9 each 45' x 4' fingers
6. 2 each 50' x 4' fingers
7. 1 each 70' x 4' finger
8. 2 each 72' x 4' finger
9. 1 each 123' x 6' Head Pier
10. 1 each 356' x 8' Main Walk Way
11. 18 5 ton winches
12. 9000 feet of 5/8" galvanized cable
13. 18 10,000# concrete anchors with connecting hardware
14. 712' of underwater triangular trussing
15. 80 7' connecting legs for truss system
16. 16 Marina Power Pedestals with 30 and 50 amp power
17. All necessary electrical line and water lines for complete system.
18. 8500 square feet of treated decking material

Floating Store Marina Gas Dock System

This system is unique to the upper Midwest area. It consists of a custom built deck with special flotation and load bearing capabilities to handle a building fully loaded with merchandise. It includes sewage disposal system consisting of a pump, holding tank and all necessary piping. When holding tank is full, the tank pump turns on and pumps sewage into Park lift station eliminating any secondary handling of boat sewage. It also includes gas facilities and all piping needed to deliver on water gas to boaters. It is a State Approved and Corps approved system. There is a 10,000 underground tank owned by the State Parks which delivers gas to the on water store. There have been pressure relief lines installed to eliminate excessive gas nozzle pressure at the dock.

There is a 16' x 50' custom building which sits on top of the floating platform to serve on water customers. It is complete with bait shop, food serving equipment, inside bathroom, shelving for merchandising, cash registers, refrigerator, wall air conditioners, office desk, microwave, 2 line phone system and many other amenities.

The dock also incorporates 3 overnight slips with two power pedestals providing 30 and 50 AMP power and fresh drinkable water to overnight boaters.

The system is held in place by six 5 ton winches loaded with 5/8" galvanized cable which are connected to six 10,000# concrete anchors.

All gas lines, phone lines, water lines and electrical lines are included with system.

The system included the following.

1. 1 each 25' x 41' floating patio deck
2. 1 each 65' x 41' specially engineered platform for building
3. 1 each 51' x 6' slip walkway
4. 3 each 25' x 3' slip fingers
5. 6 each 5 ton winches loaded with 5/8" galvanized cable
6. 6 each 10,000# concrete anchors
7. Gas Pump (2)
8. 1 each 16' x 50' custom operations building and all inside equipment
9. 2 each Power Pedestals with 30 and 50 AMP power
10. Sewage Pump Out Facilities
11. 4250 square feet of treated decking

North Shore System Aluminum

This is a World Class III Aluminum System. Very low maintenance and no rust. It consists of 25 slips ranging in size from 12' x 25' to 16' x 70'. This system is designed to follow the water up or down the North Shoreline of the Marina. It is held in place by 4 40 foot long triangular stiff arms which can be raised and lowered by a tower system. The towers are connected to pental hitches on land based anchors which are heavy steel I beam material. The I beams have adjustable positioning for the stiff arms at different water levels making for a very secure system. This particular system is longer than a football field measuring in at 407 feet long from East To West. It is all aluminum with fully encased flotation. Utilities are provided by Midwest Marine pedestals having 30 and 50 AMP power. Each slip has fresh drinkable water provided by a separate water line running along the leading edge of the dock. All fingers are stabilized by an underwater truss system which runs along the entire length of the system connecting each dock to the next one providing a very stiff system. All water lines electrical lines and anchoring equipment are included with this system.

This system includes the following.

1. 13 each 25' x 3' fingers
2. 3 each 30' x 3' fingers
3. 2 each 35' x 3' fingers
4. 3 each 40' x 3' fingers
5. 3 each 40' x 3' fingers
6. 2 each 70' x 4' fingers
7. 1 each 407' x 6' Main Walkway
8. 4 each 40 Foot Triangular Heavy Aluminum stiff arms
9. 4 each lifting towers for stiff arms
10. 5 I beam land anchors with adjustable hookups
11. 407 feet of aluminum triangular underwater truss
12. 52 each aluminum truss connector legs
13. 13 Midwest Marine power pedestals with 30 and 50 AMP power
14. 5300 square feet of treated decking
15. 407 feet of fresh water pipe line with faucets

CAD Docks

This particular system is an injection molded system. It is very strong and versatile. You can quickly change configurations on this system with just a 9/16" socket. These are entry level docks with no electrical or water to them. They can quickly be moved to any area of the Marina and are used to connect the North Shore and Bay Front System together providing an integrated Marina atmosphere at any water level. These are O Maintenance docks which provide great protection to boaters who never need to put out a boat fender to protect their boats. Since these are molded docks, there is nothing which can hurt a customer's boat. When Captain Kit's Marina purchased this system we went ahead and had a custom aluminum truss system built to stabilize the system. Since the company did not offer the truss system we had an aluminum specialty company build it for us. The truss stabilizes the system making for a very unitized dock.

This system includes the following components.

1. 122 4' x 8' dock sections (4000 square feet)
2. 375 dock connectors
3. 245 feet of custom aluminum underwater trussing
4. 32 aluminum truss connecting legs custom built
5. 10 pole adapters
6. 1 custom aluminum corner to angle system into corner

Marina Access Walkways

Over the years Captain Kit's Marina has proven it can operate at any Lake Level. We have operated this facility from 1854.9 which is spillway level, all the way down to 1805.0. Because of this we have purchased many ramps to accommodate all those different levels. With the exception of 2 on land concrete ramps, all of the ramps we use here are floating ramps. And, all of the walkways are railed and have attached to them utility hangers for running gas lines, water lines, electrical lines and phone lines. These ramps are designed to handle heavy loads such as golf carts which makes hauling equipment and people with disabilities up and down the ramp system possible at any water level. Our system has proved to be very effective over the years. They have provided safe and clean access to our Marina facility.

Ramps which are included.

1. 2 each 25' x 8' steel ramps with railing and flotation
2. 2 each 30' x 6' steel ramps with railing and flotation
3. 3 each 24' x 8' steel ramps with railing and flotation
4. 1 each 50' x 6' custom aluminum ramp with railing and flotation
5. 1 each 40' x 4' custom aluminum ramp with railing and flotation
6. 1 each 40' x 6' custom aluminum ramp with railing and flotation
7. 1 each 10' x 4' aluminum ramp
8. 1 each 20' x 4' aluminum ramp
9. 1 each 38' x 6' custom concrete entry land ramp
10. 1 each 40' x 6' custom concrete entry land ramp
11. 1336 square feet of treated decking
12. 820 square feet of aluminum decking

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

HB1019
attach
②
Feb 15

Page 2, after line 30, insert:

"SECTION 3. EXEMPTION. Up to \$400,000 of the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1."

Renumber accordingly

North Dakota Community Grant Program 2009-2011

HB 1014
Atgen
3
Feb 15

- North Dakota's Community Grants provide financial assistance to political subdivisions of the State of North Dakota in two distinct areas:
 - Recreation Leadership:
 - Develop new recreation programs for communities with a population of 13,000 or less
 - Assist small communities without full time recreation staff to hire staff and develop professional recreation programs
 - The 61st Legislative Assembly appropriated up to \$100,000 to this program, to be distributed over the three year assistance period.
 - Outdoor Recreation Facilities:
 - Improve, renovate, or construct outdoor recreation facilities
 - Playgrounds, pools, sports fields, courts, picnic shelters, campgrounds, etc.
 - The 61st Legislative Assembly appropriated up to \$280,000 to this program, to be distributed over the 2009-2011 biennium in a 2009 funding cycle and 2010 funding cycle
 - The legislation allowed for the Recreation Leadership funds to be used for outdoor recreation facilities if there wasn't a demand for the full \$100,000 in leadership
- The ND Community Grant is a 50/50 matching grant program. The local project sponsor has to fund at least 50% of the project cost
- In order for a program or project to be selected for funding, it must show a need in the State-wide Comprehensive Outdoor Recreation Plan (SCORP) for the legislative planning region in which the project or program will be developed
- Outdoor Recreation Facilities Grants projects are scored and selected based on the project region's recreation priorities according to the SCORP, using the Open Project Selection Process
- Recreation Leadership Grants are scored by a committee comprised of representatives from North Dakota Parks and Recreation Department (NDPRD) and the North Dakota Recreation & Park Association (NDRPA)
- The matching grant program received 50 applications for the 2009-2011 biennium
 - Total Grant Funding Request: \$1,702,852
 - Total Project Costs: \$3,545,673
- State funding of \$400,000 funded up to 50% of the project costs for 11 projects
 - 2009-11 Biennium Grant Awards:
 - Carson Park Board: Carson Picnic Area, \$5,000
 - Jamestown Parks & Rec: Leapaldt Park, \$23,500
 - Minot Park District: Magic Smiles, \$75,000
 - Park River School District: School Playground, \$50,000
 - Tower City Park Board: Alexander Park, \$18,966
 - Washburn Parks & Rec: Renner Park, \$20,000
 - West Fargo Park District: Westside Park, \$15,000
 - Bismarck Parks & Rec: Jaycee Centennial Park, \$49,966
 - Edgeley Park Board: Swimming Pool, \$50,000
 - Grafton Park Board: Bark Park, \$30,000
 - Hazen Parks & Rec: Riverside Park, \$42,568
 - Total Grant Funds Awarded: \$380,000
 - Total Project Cost: \$2,012,185
 - Total Local Match: \$1,632,185

339 projects

North Dakota Community Grant Program 2009-2011

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Big projects

2013-15 Parks Recommendations

*Agency
Feb 15*

Description	FTE	General Fund	Federal Funds	Parks Fund	Other Funds	Total	Explanation
1. Seasonal temp salaries		264,000				264,000	Increases seasonal temp salaries by \$1 per year to keep agency on par with seasonal staff salaries paid by Historical Society
2. Strategic master plans for individual parks		100,000				100,000	Funding to update master plans for FLSP, FRSP, and one other park
3. Boat ramp maintenance			(80,000)		122,000	42,000	Game and Fish budget assumed continuation of \$122,000 grant, Parks budgeted at only \$80,000
4. Community grant program		400,000				400,000	Continuation of community grant program at same level authorized in 2009. Requested amount was \$1 million.
5. Seasonal trail crew		65,200				65,200	Additional seasonal staff and related operation to run a trail maintenance crew to rotate between Pembina, Turtle Mtns, and Little Missouri
6. Administrative assistant temp to FTE	1.00	87,172				87,172	Long-term temporary staff converted to FTE. Has been requested for past two bienniums. Agency requested conversion of 3 admin asst's.
7. One-time extraordinary repairs							
Relocate concession building @ TRSP				40,000		40,000	Includes demolition of old pool support buildings
Concrete for dump station @ LSSP				35,000		35,000	Eliminate problem of gravel washing into drains
Marina stairs @ FSSP				10,000		10,000	
Vault toilets and fish cleaning stations				7,800		7,800	
Boat ramp repairs @ LCSP				90,000		90,000	
Total one-time XO repairs				182,800		182,800	
8. One-time equipment							
Wood chipper				30,000		30,000	Avoid rental - rotate among parks - added efficiency
Tractor replacements				120,000		120,000	Replacement of 20 year old tractors - Reduce repair exp
Cross country ski trail groomers - <i>Piston Bury</i>				120,000		120,000	Replacement of two 30 year old machines
Crack seal machines				30,000		30,000	Difficult to get bids on small jobs - Rotate among parks
Total one-time equipment				300,000		300,000	
9. Capital projects							
Road repairs @ LMSP		960,000				960,000	Repair and replacement of 40 year old roadways
Kit's Marina dock purchase		400,000		400,000		800,000	Parks needs to control operation and remove vendor
Visitor center @ FSSP		750,000				750,000	No visitor center now - Operates out of maintenance shop
Interpretive exhibits @ ISP				150,000	50,000	200,000	Exhibit space added in 2009-11, but no funding for exhibits
Campground expansion @ LCSP		520,000				520,000	Campground operating at 100% capacity
Comfort station replacement @ LSSP		300,000	200,000			500,000	Poor quality 40-year old building would need extensive repairs
Total one-time capital projects		2,930,000	200,000	550,000	50,000	3,730,000	
10. Federal authority error			(5,525,000)			(5,525,000)	Grant authority was overstated in base request
11. Peace Garden operating grant increase		200,000				200,000	Difficulty recruiting staff has led to deterioration of gardens
Grand Total	1.00	4,046,372	(5,405,000)	1,032,800	172,000	(153,828)	
One-time		3,430,000					
Ongoing		616,372					

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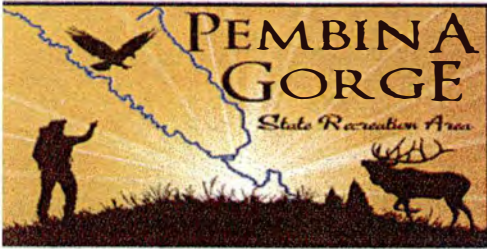
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750,000
1,032,800
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Rendezvous Region

Heart of the Pembina River Gorge

Walhalla, North Dakota 58282

www.walhalland.org



In 2005 Governor Hoeven, through the support of NDDOT, continued to support the Rendezvous Region with the Master Plan for Trail Development in the Turtle Mountain and Pembina Gorge Areas. Because of this Master Plan, the State of ND, through the ND Parks and Recreation Department, has hired an onsite manager to oversee the development and management of the Pembina Gorge State Recreation Area. The headquarters for the operation is located in Walhalla at the ND Forest Service Field Office. The trailhead for the Pembina Gorge State Recreation Area is located 7 miles west of Walhalla.



The Pembina Gorge State Recreation Area is being developed in a way new to the state of North Dakota. The North Dakota Parks and Recreation Department has developed a **multiuse trail system** to accommodate the three classes of Off-Highway Vehicles (OHVs): dirt bikes, four wheelers, and side by sides. While designed for the use of OHVs it is also open to hikers, mountain bikers, horseback riders and birders. It accommodates OHVs up to 60 inches wide. The trail currently consists of a 24 mile looped network of trails. More traditional, non-motorized trail opportunities are in the works for 2013. Also included in the Pembina Gorge State Recreation Area is the Tetrault Woods State Forest, located south and west of Walhalla. The NDPRD has assumed management of the recreational aspect of the forest due to the trail aspects and on-site management. Thus far, the NDPRD has completed trail enhancements which included a floating bridge across a beaver pond and trail repairs to provide an unforgettable walk through the woods



The City of Walhalla recently completed some beautiful scenic overlooks along the Rendezvous Region Backway showcasing the Pembina River Gorge. In addition to the ecotourism development in the area, there is also plenty of North Dakota history on display at the Gingras Trading Post, the Kittson Trading Post, Icelandic State Park, Pioneer Heritage Center, Gunlogson Homestead and Nature Preserve, and the Pembina State Museum.



As we look to the continued development of the Pembina Gorge State Recreation Area an adequate and appropriate management regime needs to be developed and closely monitored. The ND Parks and Recreation Department is already ensuring that the natural areas used for ecotourism remain in a conserved natural state for future generations to enjoy. But, they need the infrastructure and tools to continue to grow and develop in an environment visible to the general public to provide a year round family adventure.



To date the State of North Dakota has invested \$430,000.00 in appropriated funds and an additional \$410,000.00 has been received from the Recreational Trails Program through the Federal Highway Department in the Pembina Gorge State Recreation Area for development in the area.



It is imperative that development continues in ways that foster support for the protection and sensitive use of the Pembina River Gorge, a North Dakota treasured resource. Frost Fire Mountain is located in the heart of the Pembina River Gorge and has been an anchor and key draw to the Rendezvous Region. The entire region has taken advantage of the traffic Frost Fire provides by developing and expanding attractions throughout the area. Frost Fire would provide the facilities for a great interpretive center of the Pembina River Gorge and the Pembina Gorge State Recreation Area, providing ND Park and Recreation Department a home to expand in NE North Dakota where tourism is a legendary journey steeped in history, with natural resources, scenic beauty, cultural, and recreation, enhanced through nature-based ecotourism.

The Pembina Gorge State Recreation Area needs a home and the Pembina Gorge needs an interpretive center that will provide visitors with a RICH EXPERIENCE as they travel across the great state of NORTH DAKOTA

Rendezvous Region

Heart of the Pembina River

What is Nature Base Ecotourism?

Tourism has been identified as one of the largest and fastest growing industries in the world. In particular, nature-based ecotourism has been singled out as an important component of the tourism industry and has experienced significant growth. Ecotourism is nature based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable.

Nature-based ecotourism attractions provide substantial economic gains, retail, and service related businesses in and around host communities. To sustain the growth of tourism and maintain its associated benefits, it is important to ensure that residents and visitors are satisfied with the experiences provided. Nature-based and ecotourism comprises a number of outdoor activities undertaken by tourists in the natural environment.

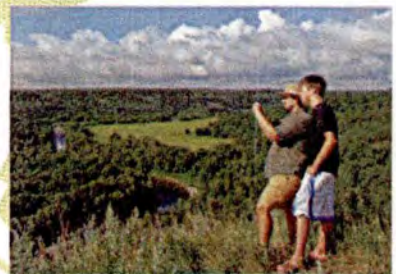
It ranges from high impact adventure activities such as skiing, snowboarding, and snowmobiling, four (4) wheeling, cross-country skiing, adventure racing and biking, to more relaxing activities such as hiking, bird watching wildlife viewing, photography, stargazing, camping, hiking, hunting, fishing, horseback riding, scenic tours, along with cultural, and historical experiences, and state parks.

Canoeing and kayaking offers a more personal way to connect with nature. The quiet of being out on the water allows paddlers to experience a closer view of wildlife and scenery.

Tetrault Wood Scenic Overlook



Frost Fire Mountain



Kathy Stremick, Director
City of Walhalla Economic Development

701 549-2707 Office
701-741-6251 Cell
walhalla@utma.com

Rendezvous Region
Heart of the Pembina River Gorge

PO Box 318
1103 Central Avenue
Walhalla, ND 58282
www.walhalland.org

walhalland.org

SAVE THE DATES

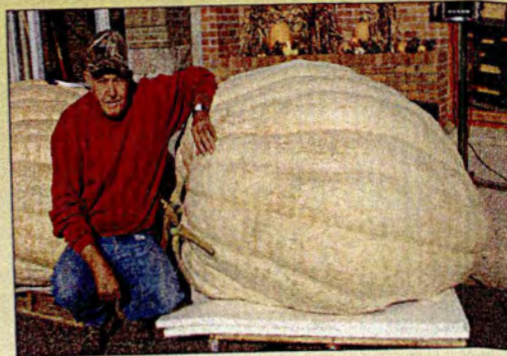
GIANT PUMPKIN FESTIVAL SEPTEMBER 28, 2013

Walhalla, North Dakota

2012 Winning Pumpkin weighed in at
1,063 Pounds

by Butch Bourbanis, Walhalla.
Celebration of "fall" with pumpkin deserts
savory goodness. Helicopter rides
experiencing the fall foliage of the Pembina
Gorge. Trolley rides to and from the scenic
looks. Biking, hiking and riding the trails
in the Pembina Gorge Recreation State Park.
Pumpkin Hunt in the Tetrault Woods State
Park.

"Save the Date" September 28, 2013
The largest pumpkins grown in North Dakota!



PEMBINA GORGE

The Pembina Gorge extends from the Canadian border west of Walhalla and encompasses one of the largest uninterrupted blocks of woodlands in North Dakota of approximately 12,500 acres and the longest segment of unaltered river valley in the state. Surging waters carved the Pembina Gorge out of soft marine shale's, creating one of the deepest and steepest river valleys in North Dakota. In this rugged and sheltered setting, an enormous swath of forest is nestled in a transition zone where three different biogeographical provinces come together - boreal forest, eastern deciduous forest and central grassland. The Pembina Gorge is home to the most extensive oak woodland in the state. It also contains extensive wetland thicket with notable fauna density, the greatest development of birch woodlands, the least locally disturbed river system, the largest collective area and greatest association number of upland shrub lands. At least 65 different natural diversity features have been documented to be in the Pembina Gorge, including 30 plant species and 21 animal species, which are categorized as "rare" in the state. Recreation in the Pembina Gorge consists of canoeing, hiking, biking, horseback riding, downhill ski and snowboard area, cross country skiing, snowmobiling, hunting, wildlife viewing, golfing and birding guaranteeing year round family entertainment.

DIG AND DISCOVER THE PEMBINA GORGE

August 19 through August 25, 2013

5-8 million-year-old fossils have recently been found in the Pembina Gorge. At least for Mosasours, along with sharks, fish vertebrae and fish scales were discovered and identified by Dr. John Loganason, Paleontologist with the ND Geographical Survey. Mosasours were the most fearsome predators, which dominated the Western interior Seaway during the Cretaceous Age. Excavation of the find will begin in researched. The North Dakota Geological Survey, North Dakota Parks and Recreation Department, and the City of Walhalla are hosting a dig August 19 through August 25, 2013. Details visit: North Dakota Geological Survey Paleontology www.dmr.nd.gov/ndfossil/digs/digs.asp or City of Walhalla www.walhalland.org.





PEMBINA RIVER TRAIL

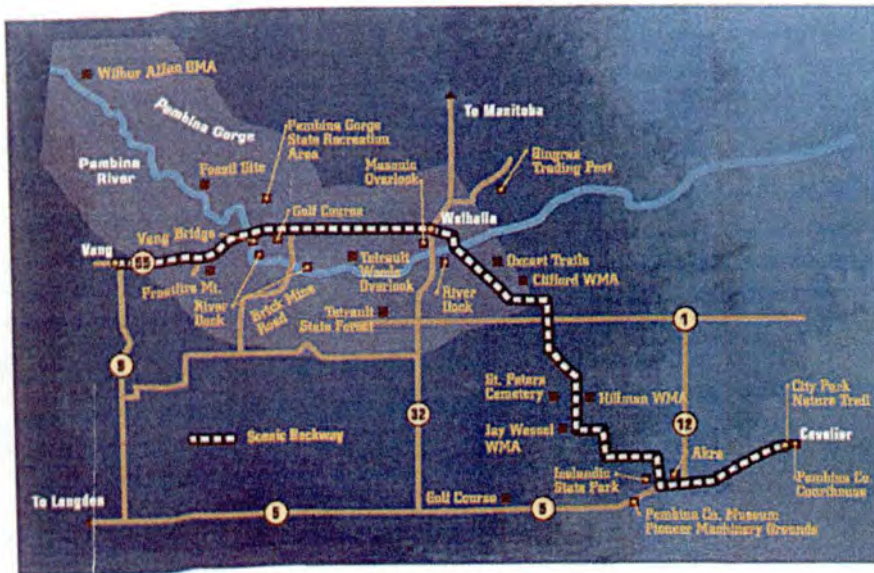
The Pembina River, located in the northeast corner of North Dakota, has the only white water found in the State. Upstream of Walhalla, paddlers may find Class I Rapids, despite the easy rating, the fast water and rivers bend of the Pembina River in the spring can be challenging compare to the water and bends of other North Dakota rivers. The Pembina River originates North of La Riviere, Manitoba, flows southeast and enters the United States northeast of Langdon, ND.

From the international border, it flows southeast to Walhalla and east to Neche and Pembina, finally emptying into the Red River of the North. The river valley winding through the hills is known as the Pembina Gorge. The Pembina Hills form a unique ecoregion, the Pembina Escarpment, within North Dakota and encompass one of the largest woodland blocks in the State of North Dakota.

The Pembina River meanders through the thickly wooded slopes, broad uplands, and isolated tranquility, which symbolizes North Dakota's Pembina River valley. It flows with a beauty and grace distinctly different than any other river in the state. The Pembina River's rocky bed offers mild white water experiences. The timbered hills of the river corridor not only provide a stately scenic backdrop for canoeists, but also host many unique flora and fauna, wildlife viewing, and bird watching. The area is rich in natural history and human history. The Pembina River valley is a well-kept secret, even from many North Dakotans. The valley is dotted with public lands and historic sites. Several museums herald the rich history. While canoeing might take only a day of an adventurer's time, there are many trails to hike, travel the Rendezvous Regions Scenic Backway and explore the other recreational opportunities in the area.

The City of Walhalla through ND Parks and Recreation Department matched a Recreation Trail Grant and installed three (3) floating docks along the Pembina River for canoe and kayak enthusiastic.

RENDEZVOUS REGION BACKWAY



The Rendezvous Region of Northeast North Dakota is a special place steeped in history, with natural resources, recreation, and scenic beauty and cultural. The cities of Pembina, Walhalla, Langdon and Cavalier are the anchor communities of the Rendezvous Region. Pembina and Cavalier County comprise the boundaries of the Rendezvous Region. Counties and communities have joined forces to bring a new focus on their corner of the state in order to promote one of the most unique areas in North Dakota.

The Rendezvous Region has all the components to provide ecological and recreational experiences unlike any other in North Dakota. It is unique to North Dakota as residents and visitors immerse themselves in an undisturbed natural area with a range of diversity that requires continued protection and management. The State of North Dakota continues to support tourism, the 3rd largest industry in North Dakota, and to maintain its associated benefits. It is important to ensure that residents and visitors are satisfied with the "Legendary Experiences" North Dakota provides. Since 1996 the State of North Dakota, through NDDOT has supported the Scenic Byway and Backway Program. With that support the Rendezvous Region Backway has continued to expand because of these efforts, developing scenic overlooks, signage, trail systems

13.8148.01001
Title.

Prepared by the Legislative Council staff for
Representative Monson
January 25, 2013

HB1019
Feb 15
(6)

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, replace line 16 with:

"Natural resources	12,768,203	9,265,819	22,034,022"
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Page 1, replace line 18 with:

"Total all funds	\$22,742,179	\$8,020,606	\$30,762,785"
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Page 1, replace line 20 with:

"Total general fund	\$11,100,647	\$7,870,303	\$18,970,950"
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Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$8,070,303	\$19,944,649
Grand total special funds	<u>11,641,532</u>	<u>150,303</u>	<u>11,791,835</u>
Grand total all funds	\$23,515,878	\$8,220,606	\$31,736,484"

Page 2, after line 18, insert:

"Land and building purchase		0	2,800,000"
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Page 2, replace lines 24 through 26 with:

"Total all funds		\$5,777,210	\$7,512,800
Less estimated income		<u>1,028,000</u>	<u>1,282,800</u>
Total general fund		\$4,749,210	\$6,230,000"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of House Action

	Executive Budget	House Changes	House Version
Parks and Recreation Department			
Total all funds	\$27,962,785	\$2,800,000	\$30,762,785
Less estimated income	11,791,835	0	11,791,835
General fund	\$16,170,950	\$2,800,000	\$18,970,950
International Peace Garden			
Total all funds	\$973,699	\$0	\$973,699
Less estimated income	0	0	0
General fund	\$973,699	\$0	\$973,699
Bill total			
Total all funds	\$28,936,484	\$2,800,000	\$31,736,484
Less estimated income	11,791,835	0	11,791,835
General fund	\$17,144,649	\$2,800,000	\$19,944,649

House Bill No. 1019 - Parks and Recreation Department - House Action

Executive	House	House
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	Budget	Changes	Version
Administration	\$2,719,322		\$2,719,322
Natural resources	19,234,022	2,800,000	22,034,022
Recreation	<u>6,009,441</u>		<u>6,009,441</u>
Total all funds	\$27,962,785	\$2,800,000	\$30,762,785
Less estimated income	<u>11,791,835</u>	0	<u>11,791,835</u>
General fund	\$16,170,950	\$2,800,000	\$18,970,950
FTE	55.00	0.00	55.00

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

	Land and building purchase ¹	Total House Changes
Administration		
Natural resources	2,800,000	2,800,000
Recreation	<u></u>	
Total all funds	\$2,800,000	\$2,800,000
Less estimated income	<u>0</u>	<u>0</u>
General fund	\$2,800,000	\$2,800,000
FTE	0.00	0.00

¹ This amendment provides funding for the purchase, renovation and development of land and buildings that may be available in the Pembina Gorge area for the purpose of an interpretive center and office space for Parks and Recreation Department and other state agency employees.

13.8147.01002
Title.

Fiscal No. 1

HB 1019
Prepared by the Legislative Council staff for
House Appropriations - Education and
Environment Division Committee
February 15, 2013

Feb 18, 2013
Handout 1
from LC.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1018

Page 1, line 2, remove "; and to provide an exemption"

Page 1, replace lines 11 through 13 with:

"Salaries and wages	\$9,477,860	\$1,817,192	\$11,295,052
Accrued leave payments	0	211,332	211,332
Operating expenses	2,387,016	379,000	2,766,016
Capital assets	1,620,736	128,989	1,749,725"

Page 1, replace line 15 with:

"Cultural heritage grants	504,500	150,000	654,500"
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Page 1, replace lines 17 through 20 with:

"Total all funds	\$14,994,604	\$2,686,513	\$17,681,117
Less estimated income	<u>2,900,413</u>	<u>297,058</u>	<u>3,197,471</u>
Total general fund	\$12,094,191	\$2,389,455	\$14,483,646
Full-time equivalent positions	63.00	5.00	68.00"

Page 2, remove lines 7 and 8

Page 2, replace line 9 with:

"Historic sites exhibits		0	50,000"
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Page 2, replace lines 13 through 16 with:

"State's 125th celebration planning		50,000	100,000
Total all funds		\$1,590,700	\$300,000
Less estimated income		<u>650,000</u>	<u>0</u>
Total general fund		\$940,700	\$300,000"

Page 2, remove lines 30 and 31

Page 3, remove lines 1 through 4

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - State Historical Society - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$12,208,141	(\$913,089)	\$11,295,052
Operating expenses	2,816,016	(50,000)	2,766,016
Capital assets	2,014,725	(265,000)	1,749,725
Grants	1,000,000		1,000,000
Cultural heritage grants	504,500	150,000	654,500
Yellowstone-Missouri-Fort Union Comm	4,492		4,492
Accrued leave payments		211,332	211,332
	<u>\$18,547,874</u>	<u>(\$866,757)</u>	<u>\$17,681,117</u>

Total all funds			
Less estimated income	3,246,503	(49,032)	3,197,471
General fund	\$15,301,371	(\$817,725)	\$14,483,646
FTE	69.00	(1.00)	68.00

Department No. 701 - State Historical Society - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Adds Funding to the Cultural Heritage Grants Line ⁴	Removes Funding for Oil-Impacted Areas ⁵	Removes Funding for Traveling Exhibits ⁶
Salaries and wages	\$6,657	(\$459,386)	(\$211,332)		(\$50,000)	
Operating expenses						
Capital assets						(250,000)
Grants						
Cultural heritage grants				150,000		
Yellowstone-Missouri-Fort Union Comm						
Accrued leave payments			211,332			
Total all funds	\$6,657	(\$459,386)	\$0	\$150,000	(\$50,000)	(\$250,000)
Less estimated income	732	(49,764)	0	0	0	0
General fund	\$5,925	(\$409,622)	\$0	\$150,000	(\$50,000)	(\$250,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Historic Site Exhibits ⁷	Removes Technology Coordinator Position ⁸	Reduces Funding for State Celebration ⁹	Total House Changes
Salaries and wages		(\$199,028)		(\$913,089)
Operating expenses			(50,000)	(50,000)
Capital assets	(15,000)			(265,000)
Grants				
Cultural heritage grants				150,000
Yellowstone-Missouri-Fort Union Comm				
Accrued leave payments				211,332
Total all funds	(\$15,000)	(\$199,028)	(\$50,000)	(\$866,757)
Less estimated income	0	0	0	(49,032)
General fund	(\$15,000)	(\$199,028)	(\$50,000)	(\$817,725)
FTE	0.00	(1.00)	0.00	(1.00)

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of salaries and wages funding from the general fund (\$185,972) and from other funds (\$25,360) for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴Funding is added to the cultural heritage grants line to provide a total of \$654,500. The executive budget recommendation included \$504,500 for cultural heritage grants.

⁵Funding included in the executive budget for compensation or housing allowances for employees in oil-impacted areas is removed.

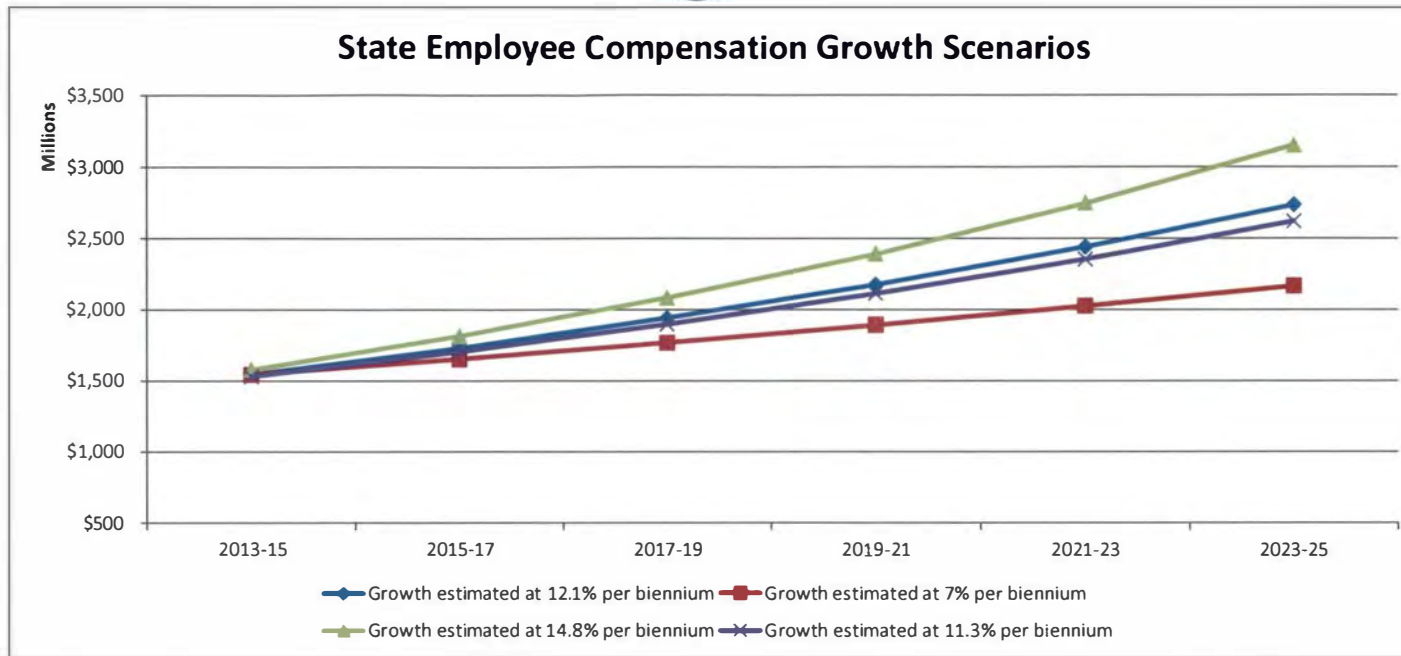
⁶Funding included in the executive budget for traveling exhibits is removed.

⁷This amendment reduces funding included in the executive budget for historic site exhibits from \$65,000 to \$50,000.

⁸This amendment removes the technology coordinator position included in the executive budget.

⁹This amendment reduces funding included in the executive budget for the state's 125th celebration from \$150,000 to \$100,000.

This amendment removes Section 5 of the bill which provides for deposit in the department's revolving fund any unspent funds provided for traveling exhibits to be used in the 2015-17 biennium.



Adjusted salaries and wages amounts	2013-15	2015-17	2017-19	2019-21	2021-23	2023-25
Growth estimated at 12.1% per biennium \1	\$1,542,610,422	\$1,729,266,283	\$1,938,507,503	\$2,173,066,911	\$2,436,008,007	\$2,730,764,976
Growth estimated at 7% per biennium \2	\$1,542,610,422	\$1,650,593,152	\$1,766,134,672	\$1,889,764,099	\$2,022,047,586	\$2,163,590,917
Salaries and wages amounts in LC memo No. 13.9574.01000						
Growth estimated at 14.8% per biennium \3	\$1,579,027,957	\$1,812,724,095	\$2,081,007,261	\$2,388,996,335	\$2,742,567,793	\$3,148,467,826
Growth estimated at 11.3% per biennium \4	\$1,531,161,766	\$1,704,183,046	\$1,896,755,730	\$2,111,089,127	\$2,349,642,199	\$2,615,151,767

- \1 This scenario uses the executive recommendation for 2013-15 for total state employee compensation, excluding new positions and retirement contribution increases, and inflates that amount by 12.1% in future bienniums. This scenario assumes total state employee compensation, including health insurance, other benefits and temporary salaries, continues to grow at the rate of 12.1% in each future biennium.
- \2 This scenario uses the executive recommendation for 2013-15 for total state employee compensation, excluding new positions and retirement contribution increases, and inflates that amount by 7% per biennium. State employee salary increases have averaged 3.5% per year, or 7% per biennium, during the ten year period from 2003 to 2012. This scenario applies a 7% biennial growth rate to total state employee compensation, including health insurance, other benefits, and temporary salaries.
- \3 This version, based on the executive budget for 2013-15 including new positions and retirement contribution increases, is inflated at 14.8% per biennium.
- \4 This scenario, based on the House compensation plan, takes the House proposal for 2013-15 and inflates it by 11.3% per biennium.

2-22-13
#1

Mark Zimmerman #1
HB 1019
3-14-13

HB 1019: NORTH DAKOTA PARKS AND RECREATION DEPARTMENT APPROPRIATION BILL

Senate Appropriations Committee
Harvest Room
Thursday, January 14, 2013

Chairman Holmberg and members of the Committee

It is my honor as Director of North Dakota Parks and Recreation Department to present testimony on the agency's appropriation bill. I will take a few minutes to provide a general overview of the state parks and then ask division managers to provide a status report of their 2011-2013 budgets as well as a review of the 2013-2015 budget recommendations.

North Dakota State Parks are among the special places enjoyed by our citizens and visitors to our state. For almost 50 years the North Dakota Parks and Recreation Department has managed the natural, historic, cultural and recreational resources of the parks and recreation areas for the enjoyment and benefit of all our visitors. Whether the visitors to the parks and trails come for camping, fishing, hiking, biking, horseback riding, historical and interpretive programs, snowmobiling, ATVing, the staff of our Department works to provide the best experience possible. These natural treasures and activities provided by the Department would not be possible without the strong commitment of the Legislative Assembly. I can speak on behalf of many of our long time campers and visitors, as well as our staff, in thanking the Legislative Assembly for that ongoing support.

2011 and 2012 provided opportunities and challenges for the parks.

The floods and rising water levels of 2011 had dramatic impacts on almost every park. The continued high water levels at Devils Lake as well as flooding of the Missouri, Little Missouri and Sheyenne Rivers reduced visitation and camping nights throughout the 2011 season. I am pleased to state that although several parks were closed to camping in the 2011 season, every park was up and running at full capacity by early summer. Then the summer of 2012 brought drier than normal conditions to several parks, but all parks remained open with limited fire restrictions.

Even with these challenges the parks experienced over a million visitors and set an all-time camper nights record in 2012. Outdoor enthusiasts continue to demonstrate their support for the parks and recreation areas by their visits. It was a busy two years for the Department. The Division managers will provide more details on these topics.

I will present the general revenue information and will be happy to provide any additional information as requested at the conclusion of this testimony.

A great indication of the continued support and utilization of the parks is the revenue picture for the Department.

The Department continues a limited promotional effort. A number of printed promotional and informational pieces are produced by the Department. The Department also participates in 4-5 in state sport shows depending on the show schedules. In 2012 North Dakota Parks and Recreation hosted a booth at the state fair with encouraging visitation and interest. Plans are to continue that effort in 2013.

Several amendments have been added to the Department's executive budget recommendation by the House Appropriations committee. They will be highlighted by Division Managers in their respective areas. North Dakota Parks and Recreation Department supports the executive budget recommendations and asks for the Senate's consideration in reaffirming those provisions. At the conclusion of the Department's testimony I would be happy to answer questions on that original budget and subsequent changes or amendments.

Mr. Chairman, I would like to introduce Brad Pozarnsky, Department's Field Manager, to cover the Park Operations Division.

Mr. Chairman and members of the Appropriations Committee, my name is Brad Pozarnsky, Field Manager for the ND Parks and Recreation Department. I would like to review the Park Operations Division progress for the current Biennium and address budget requests for the 2013-2015 Biennium:

In review, I am proud to report we achieved record visitation and camper nights for the 2012 season. Visitation exceeded one million visitors; with camper nights exceeding 67,000 and cabin nights over 3,200. Reservations for campsites, cabins, meeting facilities and shelters were also at an all-time high for 2012.

State Park special events are a major attraction for visitors. We host over 100 special events annually drawing approximately 250,000 participants.

Six State Parks were affected by 2011 floods. Fort Abraham Lincoln, Sully Creek and Little Missouri State Parks were most severely impacted with closures that required extensive repairs. All parks recovered and were in full operation by June of 2012.

We purchased 2 Skid Steers as one-time equipment purchases; one through general funds and the other through park revenues.

Our seasonal salary starting wage averages between \$9 and 10 dollars per hour. We did receive assistance for seasonal salaries in the last session, however, we continue to fall behind other agencies and it's impacting our ability to hire seasonal staff. In addition, the energy boom has severely impacted our pool of potential employees in western North Dakota.

We secured trail leases at Little Missouri State Park for the next 5 years through a general fund appropriation. The department owns approximately 1,500 acres of land and leases 4,000 plus acres. These land leases allow us to provide an extensive trail system at the park.

We currently operate two state park marinas on Lake Sakakawea. High water levels increased public demand for these facilities in 2011 and 2012. We operate 40 slip rentals at Lewis & Clark and 105 slips at Fort Stevenson State Park.

Transitioning to the 2013-2015 Park Operations Budget Request:

State Parks must replace equipment on a regular schedule to reduce the O&M dollars spent on aging repairs. Cyclic equipment replacement also increases trade-in values to further reduce expenses. One-time purchases for the 2013-2015 Biennium includes a wood chipper, industrial tractor replacements, cross-country ski trail groomers and a crack seal machine.

These purchases will allow us to save on rental rates, reduce repairs and the ability to rotate equipment between parks for more timely repairs.

- The wood chipper serves as both a cost savings and efficiency measure. Multiple state parks pay rental fees for this equipment on an annual basis. A one-time purchase allows us to establish a shared equipment rotation across the park system.
- Two tractors have reached their 20-year old life expectancy. Following the standard replacement schedule will drastically reduce future repair expenses.
- Groomed cross-country ski trails are a popular winter activity in 7 of our state parks. Two groomers have been stretched to a 30 year-old use period and are well overdue in the replacement cycle.
- And finally, a crack seal machine will allow our staff to complete smaller crack seal maintenance requirements. We are finding it difficult to secure bids on the smaller cyclic repairs and this purchase will allow us to rotate equipment between the parks for more timely repairs.

Our budget recommends we continue the long standing Game & Fish Department maintenance grant in the amount of \$122,000.

We have several long-term temporary Administrative Assistants working throughout the state park system and are requesting approval to convert one of them to a FTE. The increase in visitor use has impacted all areas of park operations and it is becoming difficult for our field staff to perform their duties without full-time administrative support staff. Approval of this FTE will assist us to maintain regular office hours and improve overall customer service for our park visitors.

Approximately 150 summer seasonal positions comprise the park operation's salary budget. Seasonal hourly wages and bonuses offered by similar agencies across the state put our department at a disadvantage. Approval of a \$1 per hour increase per year request will allow us to compete with other N.D. job markets.

This concludes my remarks for the Park Operations Division.

Mr. Chairman and committee members; my name is Jesse Hanson. I manage the Planning and Natural Resources Division of the ND Parks and Recreation Department. A public investment in facilities and infrastructure of over \$80 million in 16 state parks is managed by the Department.

State park roads, utility services, buildings, trails, campgrounds and marinas are maintained at a high standard through continual assessment of conditions and prioritization of renovation and repair projects. Appropriations from the legislative body and other funding sources are critical to maintaining this high quality facility and infrastructure investment

In this testimony, I will provide a brief overview of the current 2011-13 biennium capital and extraordinary repair work completed along with flood recovery and a very successful energy conservation grant received by NDPRD, followed by a presentation of the 2013-2015 capital and extraordinary budget request.

Flood fighting and facility/infrastructure recovery dominated the 2011 – 2012 summers. Working with FEMA and state park staff, the Planning Division identified approximately \$600,000 in total damage and flood fighting costs across 6 state parks. After FEMA reimbursements, the agency will be responsible for \$250,000 for our share of recovery costs. These final costs will come out of the Department revenues.

ND Parks and Recreation's 11-13 biennium capital budget is \$4.3 million. \$2.5 million general fund dollars were appropriated through the agency capital budget for the majority of the local cost share to raise the access road to Graham's Island and Graham's Island State Park on Devils Lake. Additional local match of \$400,000 was contributed by the ND Game and Fish Dept. and \$50,000 each from Benson County and the City of Devils Lake's tourism fund. As a prelude to this project an economic impact study completed by the Upper Great Plains Transportation Institute at NDSU economic model calculated a net positive impact of \$85 million over a 20 year period would be realized in the Devils Lake region if the access road to Graham's island was maintained.

2011-13 capital projects also include the addition of a 45 site, full service campground at Graham's Island scheduled for opening in 2013, renovation of the campground electrical service and road renovations at Lewis Clark, purchase of the 60 slip dock, ramp and gangway system and installation of the electrical service at the Garrison Bay marina in Fort Stevenson State Park and the construction of the public shower house at Little Missouri State Park. All of these projects were completed and opened to the public in 2012. Additionally, appropriations for cost share for multi - use trail development in 3 state parks along with fiber optic communication line installation at Fort Lincoln, Turtle River and Lake Metigoshe State Parks.

The Department received a \$30,000 energy conservation grant from the ND Commerce Department to install 16 "tankless" water heaters in 8 campground comfort stations. In the first season of operation, propane costs in these buildings were reduced from 35% to over 40% for the first season of operation. Total cost savings in propane use in these 8 buildings was over \$7,000 in one year of operation.

The Department's extraordinary repair budget allocation in 2011-13 of \$753,416 is providing funding for park repairs in 28 projects. The majority of the repairs are structural maintenance and renovations to facilities.

Additionally, the Department received revenue from 900 acres of mineral ownership in McKenzie and Mountrail counties in mid-2011. The mineral lease funds have been assigned to legislatively approved projects, cyclic maintenance and emergency flood repair projects in the current biennium and the 2013-2015 budget.

The division's natural resources program is responsible for management of 15,000 acres of Department owned land, noxious weed control, native grass restoration, tree risk management and restoration. In the current biennium the natural resource program oversaw the restoration of nearly 100 acres of native and non - native grasses in flood damaged park lands along with over 100 acres of native grass and forb seeding in several state parks. Noxious weed inventory and control is a major obligation of the natural resource program. Each summer, noxious weed infestations are identified and sprayed or biologically controlled on all lands owned or managed by the Department. Since 2005 the intensive weed control efforts has resulted in a decline of 430 acres of land with noxious weed infestation. An ongoing tree risk assessment, removal and replanting is the responsibility of the natural resource program, assuring safe recreational experiences for the public. Over 4,000 tree and shrubs were planted across the park system in 2012.

Last, I will provide a summary of the 2013-2015 capital and extra ordinary repair budget. The capital budget request for the upcoming biennium is \$3.7 million of which \$2.93 million is general funds, \$200,000 is federal grant funds, \$550,000 will be from the Department revenue budget and \$50,000 is committed by the North East North Dakota Heritage Association. Projects include \$928,000 budgeted for the major repair and chip seal of 3.2 miles of interior roads and parking lots at Lake Metigoshe State Park. The roads and parking areas were paved in the late 1960's and are in need of significant renovation work. Two building projects; a comfort station at Lake Sakakawea State Park and a visitor contact and administrative office building at Fort Stevenson State Park are requested. Construction of a 30 site campground addition at Lewis and Clark State Park is needed to accommodate the swelling population in western North Dakota. The Department's request includes purchase of marina slip docks, gangway ramps and provide electrical/water service in the marina at Lake Sakakawea State Park. One half of the dock purchase request is general fund and the other half will be park revenues. The Governor's budget recommendation for the purchase of marina docks at Lake Sakakawea State Park was \$800,000. The budget was reduced to \$450,000 in the House Appropriations. The Department requests of the Senate Appropriation Committee to restore this budget to the Governor's recommendation of \$800,000.

A budget request is included which would authorize use of Department revenues to add to the NE North Dakota Heritage Association's fund raising commitment for design, development and installation of a natural heritage exhibit in the Icelandic State Park Heritage Center.

The Department capital budget request included "emergency measures" attached to several projects allowing for project start up upon approval of the agency budget versus 7/1/2013. The "emergency measures" did not pass when the full House voted on the Department's budget. We ask the Senate re-instate this measure to enable the Department to start work on critical capital projects as soon as possible.

The Extraordinary Repair base budget for the Department is \$876,000 for 2013-15. An additional \$182,800 authority has been added to the extraordinary repair budget from the park revenue fund for one time repair projects

The agency budget request also includes \$100,000 for master planning efforts in 2 park areas along with funding for planning the Department's 50th year anniversary in 2015.

This concludes my testimony for the capital and extraordinary repairs and flood information updates. I will introduce Arik Spencer of the Recreation Division to provide his presentation.

Mr. Chairman, members of the committee, my name is Arik Spencer, Recreation Division Manager for the North Dakota Parks and Recreation Department (NDPRD). The Recreation Division is the unit of NDPRD that primarily manages Department efforts outside of the state park system. These efforts include administration of the Snowmobile Program, Off-Highway Vehicle (OHV) Program and Scenic Byway Program. In addition, the Recreation Division manages several outdoor recreation grant program which aid communities in developing new parks, playgrounds and trails.

As a review of the 2011-2013 biennium, there are several key areas I would like to highlight.

State Comprehensive Outdoor Recreation Plan

The first is the completion of the 2013-2017 State Comprehensive Outdoor Recreation Plan or SCORP. The purpose of the SCORP is to measure outdoor recreation supply and demand and set regional grant funding priorities for the next five years. Completion of the SCORP also maintains North Dakota's eligibility for federal outdoor recreation grant funding from the National Park Service and Federal Highway Administration. Key findings of the study include:

- More than one out of every two North Dakota households (55 percent) feel outdoor recreation is very important and 93 percent feel it is important.
- Overall, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply for their users.
- Unmet funding needs reported by ND outdoor recreation providers are in excess of \$102,000,000 over the next five years.

Based upon the surveys of North Dakota households and outdoor recreation providers, statewide primary priorities included non-motorized trails, campgrounds and playgrounds/picnic areas. Secondary priorities include pools and beaches along with sports courts and fields. Tertiary priorities were winter sports facilities and motorized trails.

Funding for the SCORP came from a general fund appropriation last session, which matched funding provided by the National Park Service. The SCORP is available on the North Dakota Parks and Recreation Department website.

Grant Programs

NDPRD offers two main outdoor recreation grants, both of which are federally funded. The Land and Water Conservation Fund reimburses half the cost of facility development, such as pools and campgrounds, while the Recreational Trail Program specifically funds 80% of motorized and non-motorized recreational trails projects. These two programs resulted in nearly 3 million dollars, funding 29 projects in communities across the state. Federal grant funding is essentially the same as the previous biennium and is anticipated at the same rate for the 2013 – 2015 biennium.

Trail Programs

As part of the Department's Off-Highway Vehicle Program (OHV), The Pembina Gorge State Recreation Area celebrated its grand opening this past June. The goal of this project has been to develop an OHV trail in the Pembina Gorge, approximately 12 miles north east of Walhalla. The recreation area features more than 20 miles of trail with more miles planned for 2013 and 2014. Initial public reception to the trail has been strong with average visitation of nearly 1000 OHVs per month. Primary trail users are from North Dakota, Canada and Minnesota. Funding for this project has been primarily through the OHV Trail Fund and federal outdoor recreation grants as well as a general fund appropriation several sessions ago.

The Snowmobile Trail Program saw a turbulent 2011-2013 biennium with an outstanding 2011 trail season with all 2800 miles of trail open to the public, followed by a unusually mild 2012 season in which only a few of our trails were able to open, and only for a few weeks. This resulted in a \$75,000 loss in registration revenue. Looking at this season, weather conditions have been slightly better with many trail systems opening.

The Department offers youth safety certification courses and outreach for both OHV's and Snowmobiles. Course numbers have held even this biennium with approximately 1000 children, 12 and up becoming certified operators with safety outreach efforts reaching approximately 4500 more riders.

2013-2015 Budget Requests:

Recreation Division related budget requests for the 2013-2015 biennium include \$400,000 for the Community Outdoor Recreation Grant Program. This program was first funded by the 2009 Legislative Assembly, to offer matching grants to local outdoor recreation providers. The Community Grant Program funds outdoor recreation facility construction, improvement and renovation in addition to recreation leadership grants for communities with a population of 13,000 or less. Grants typically go to small projects that have few other funding options. A 2012 NDPRD survey of outdoor recreation providers supports this request as over \$102,000,000 in unmet needs is anticipated over the next five years.

In addition, we are requesting funding of \$62,500 to establish a Seasonal Trail Crew. The seasonal trail crew is needed due to the 60 miles of new trail NDPRD developed over the past 10 years. This crew will be responsible trail building and repair throughout the state park system

and in select state forests through a 2010 trail management agreement with the State Forester. The seasonal trail crew request includes annual funding for three, six month crew members, in addition to travel and equipment expenses.

Mr. Chairman, this concludes my remarks and I would be happy to answer any questions the committee may have.



North Dakota
Parks and
Recreation

2011-2012 Report

North Dakota Parks and Recreation Department

Director's Comments

The past two years have challenged the North Dakota Parks and Recreation Department unlike any other in the department's 50 year history.

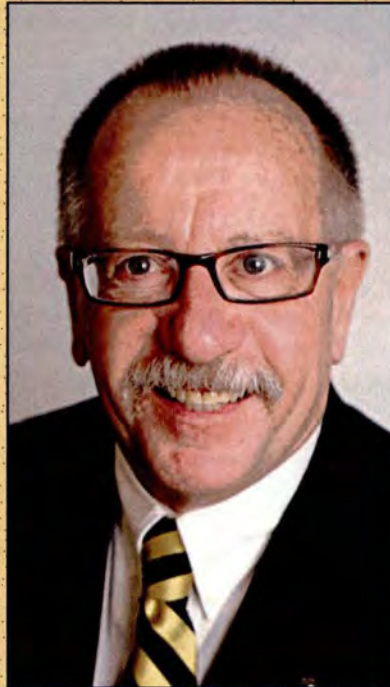
In 2011 nearly every park in the state system was affected by flooding. Campgrounds were closed at Fort Abraham Lincoln and Cross Ranch state parks. Grahams Island State Park access was hit and miss, as Devils Lake waves crashed down on Island Road leaving behind debris that were best removed with a snowplow. The highways leading to Little Missouri State Park crumbled under the saturation they endured and campers were often forced to drive in roadside ditches during highway reconstruction. Sully Creek State Park closed as it was inundated as the Little Missouri River left its banks.

Recovery started as soon as possible. Thousands of hours of work and millions of dollars were spent to restore the parks and their campgrounds. The Island Road was raised at a cost of about \$15 million; Fort Abraham Lincoln State Park welcomed back campers in the spring; bluegrass music filled the air at Cross Ranch State Park; horse trailers made their way to Little Missouri State Park on rebuilt roads and the park celebrated its 40th anniversary.

While too much moisture was a problem in 2011, too little precipitation took its toll in 2012 as drought conditions resulted in fire bans and all the parks were on high alert. NDPRD employees did their part to put out wildfires and keep communities safe.

All during the flooding and recovery visitors kept coming to the state parks and NDPRD staff made sure they had a good time. In 2011 the system exceeded a million visitors for a third consecutive year and 2012 saw record numbers of campers and again exceeded a million visitors. While parks systems around the United States faltered and in some cases even failed, North Dakota State Parks thrived. Recreation Division programs educate young OHV and snowmobile riders all over North Dakota and continue to provide grants for development of recreational areas.

In 2015 the North Dakota Parks and Recreation Department celebrates its 50th anniversary and plans are to mark the celebration in a variety of ways including legacy projects and special events. The NDPRD will use the anniversary as a means to tell its success story to the public and at the same time plan for a bright future.



NDPRD Director Mark Zimmerman

Icelandic State Park has turned the Cavalier Region into one of the premier vacation destinations in North Dakota during the summer months.

While operating at capacity almost every weekend, it brings literally thousands of visitors to our area which translates into a huge economic impact for all of us. From Main Street to medical, food to fuel, Cavalier services are being used by the many campers, which is a very welcome boost to our community. It's proximity to our local golf course, Heritage Center and Pembina County Historical Museum has also proven to be almost a perfect fit. The outstanding reputation of the park has only enhanced the pride Cavalier has in our city and I must say that it has truly been a pleasure working with all the park personnel on many of the activities scheduled throughout the year.

Mayor Ken Briese
City of Cavalier, ND

Graham's Island State Park plays a significant role in the economic impact of Devils Lake and the Lake Region.

Families and anglers come to enjoy the lake as well as what the City of Devils Lake has to offer for family adventure. As one of the top fishing destinations in the US, you can head out in the morning or evening and catch your limit of walleye, northern pike and white bass. Then enjoy the rest of the day tooting around the lake waterskiing and tubing, enjoy Sullys Hill National Game Preserve, walk through the historic museums or do some shopping in our quaint downtown area.

We've seen a significant rise in campers from Canada, Minnesota and Wisconsin, to name a few. With the road project complete we should see a significant rise in use next summer. With a beautiful setting, state-of-the-art fish cleaning station and large boat ramp, it is a premier campground in North Dakota.

Suzie Kenner
Executive Director
Devils Lake CVB

North Dakota State Parks



BEAVER LAKE

Beaver Lake State Park maintains its position of providing a unique getaway with a relaxed atmosphere and quality camping accommodations in the south central portion of the state.

The park is the North Dakota Parks and Recreation Department's (NDPRD) second oldest, celebrating its 80th anniversary in 2012. A number of improvements have been made to the park over the past two years with the creation of a new administrative/visitor center, addition of a third camping cabin, a new archway at the entrance to the Park Dedication Memorial area, repairs to the Memorial which now holds a time capsule to be opened in another 50 years.

Over 100 visitors participated in the anniversary celebration and provided input on what the NDPRD should do to improve the park, including restoration of the caretaker's cabin.

CROSS RANCH

Missouri River flooding in 2011 closed Cross Ranch State Park's campground due to access issues, but most of the infrastructure remained intact and the camping facilities reopened by Labor Day.

The park is a favorite among those looking for recreation in the winter and began providing cross country ski and snowshoe rentals in 2011. But a mild, dry winter slowed activity. CRSP

provides year round camping facilities including the Art Link and Colter cabins and three yurts.

Because of flooding, the 21st year of the Missouri Bluegrass Festival was cancelled in 2011, but it was renewed again in 2012 along with several other concerts promoted by a local bluegrass band, Cottonwood. The musical events were largely successful and several will return on an annual basis.

Flooding cleanup continued through 2012 as several damaged trees had to be removed and campsites were put back in order. Over 300 new trees were planted and improvements were made to buildings and other facilities.

FORT ABRAHAM LINCOLN

North Dakota's oldest state park,



Fort Abraham Lincoln State Park (FALSP), is in the midst of its most active periods and the future looks bright for the 104 year old park.

Missouri flooding took its toll on FALSP in 2011, closing the campground for nearly the entire year and destroying much of campground's infrastructure, killing over 100 mature trees and leaving a deep coverage of silt. Recovery began immediately

after the water receded and despite the enormity of the damage the park reopened in the spring of 2012.

In an effort to spur greater visitation a number of new events were attempted in 2012 including: themed monthly hikes, helicopter excursions, foot races, mountain biking adventures and other events. Each added to the park's popularity, but the reopening of the campground was the greatest incentive in bringing visitors back to FALSP in near record numbers.

The North Dakota Parks and Recreation Department is currently developing a new strategic plan for FALSP and several new features are being considered along with: expanded camping facilities, a visitor transportation system, new lodging accommodations, visitor center, future land acquisitions and expanded programming. Completion of the strategic plan is expected by the spring of 2013.

FORT RANSOM

Hiking, mountain biking and horseback riding are becoming Fort Ransom State Park's most popular activities as visitors take advantage of the park's extensive nearly 15-mile trail system. FRSP remains a favorite among history buffs researching early settlement life in North Dakota. The twice-a-year Fort Ransom Sodbuster weekends draw thousands of visitors.

Horse use is up considerably leading to expansion of the Riverside Horse Corral with 18 new metal pens. The NDPRD instituted a new annual horse pass and FRSP sold 100 of them the first year.

Flooding was also a problem for the park in 2011 as the Sheyenne River threatened the visitor center and kept FRSP from setting up canoe/kayak operations. These operations are very popular during the summer months as visitors spend hours on the Sheyenne River.

The interpretive program was expanded in 2012 with Saturday afternoon programs called "Country Farm Life." Homesteading skills were put on display at the Sunne Demonstration Farm and tours were given.

North Dakota State Parks



FORT STEVENSON

Fort Stevenson State Park holds the distinction of being the state park system's most popular venue leading in visitation, camping nights and revenues. The addition of the new deep water Garrison Bay Marina is bringing new dollars into the operation.

NDPRD continues to make improvements to both marinas - Garrison Bay and deTrobriand Bay - and added electrical service to the Garrison Bay marina in 2012. The park held 24 special events during the last biennium which further increases FSSP's popularity. Cycling Around North Dakota in Sakakawea Country (CANDISC) celebrated its 20th anniversary in 2012 and the Governor's Cup Fishing Tournament turned 38 years old.

Projects in 2013 will include: tree plantings, painting of the Guard House Visitor Center and installation of a new water reservoir system.

The park maintains close ties to the community of Garrison with each entity providing support which benefits each. FSSP is becoming a major access point of Lake Sakakawea and Garrison is very active in promoting the lake and servicing area sportsmen.

The continued rise of Devils Lake left Grahams Island nearly inaccessible at times during 2011 forcing the state to raise the Island Road at a cost of \$15 million. Work was completed in August of 2012 assuring access to Grahams Island for years to come.

The inundation of the road and eventual road work to raise it did impact visitation and camping at GISP. After seeing visitation fall to less than half of normal, it did recover to about 75,000 visitors in 2012, about 75 percent of a normal season. Operations have returned to about normal, the park's four sleeping cabins saw full occupancy this past year.

Construction is underway on an additional 48-unit modern campground at GISP and should be complete by the summer of 2013. Other projects completed included asphaltting of the boat ramp area; several vault toilets were resided; an interpreter's office built, two FEMA park homes were secured for seasonal housing; 50 tables constructed for the new campground; and a 10-acre prairie restoration. Final plans are being prepared to plant 13,000 trees and shrubs at the park, a mitigation project through the Enbridge Energy Corporation.

Future projects involve a new amphitheater, visitor/office facility, additional sleeping cabins, an enhanced trail system and various cyclic repairs.

ICELANDIC

Construction continues on Renwick Dam and park traffic will be detoured throughout the upcoming year. But camping nights and park revenues remain consistent despite the project dividing the park in half.

The 2011 camping season was the fifth record year for camping and the 2012 season is just 1 percent behind that pace. The past two years are showing an overall 16 percent increase in camping numbers. Nearly 60 percent of the park's visitors are Canadians with 35 percent North Dakotans and the remainder from



other states.

ISP has strong ties to the local communities and volunteers from those communities account for nearly 4,000 hours of work every year. The North Eastern North Dakota Heritage Association is a strong supporter of the park. In 2012 the NENDH finished the final construction on the research library at the park's Pioneer Heritage Center and have designated over \$40,000 for future exhibits.

LAKE METIGOSHE

Lake Metigoshe State Park celebrated its 75th anniversary in 2012 and it was one of the most successful years in the park's history. The park exceeded visitation numbers for over the past 20 years with nearly 140,000 visitors expected by year's end.

Construction on the expanded trail system was completed and LMSP now has just over 18 miles of multi-activity trails. The trails connect cabins, other trail areas and have opened new areas to explore and offer great diversity to a number of users throughout the year.

The park's top challenges continue to be maintaining infrastructure and maintaining a dependable and motivated staff being able to maintain the high level of service visitors to the parks have come to expect.

North Dakota State Parks



LAKE SAKAKAWEA

Despite flooding of the Missouri River in 2011 Lake Sakakawea State Park saw record numbers of visitors. There was some flooding of the park, but the majority of campsites were unaffected.

The huge increase of population in the Bakken oil fields also impacted the number of people looking for recreation opportunities. Campsites and lake access were in high demand. There was also an increase in the issues requiring law enforcement. The lake became a big draw for fishermen and recreational boaters as access to the Missouri below the dam to Bismarck was closed due to the unprecedented flooding.

Due to a lack of housing in the area, keeping track of transient workers attempting to live in the park was a continual problem for park staff.

LEWIS AND CLARK

In correlation with the oil activity taking place in western North Dakota, visitation and camping numbers have skyrocketed at Lewis and Clark State Park, showing nearly a 400 percent increase over the past two years. The park has been hard pressed to keep up

with the surge in demand and is looking to add a FTE this biennium.

Projects completed this past biennium include the addition of 40 new boat slips, electrical upgrades for 12 campsites and the roads were chip sealed. The boat slip rentals have been at 100 percent, even though Lake Sakakawea has dropped seven feet, threatening the viability of the marina.

The explosion of the area's population has increased prosperity regionally and statewide, but is also reflected in criminal activity and the park manager has an increased law enforcement role. The park also faces challenges in negating the impacts of oil operations which are being developed just outside the park's boundaries.

LITTLE MISSOURI

While flooding didn't directly impact Little Missouri State Park in 2011, saturated soils became unstable and a lot of sloughing affected park trails and access to the park. Poor trail conditions and road construction affected visitation.

A lot of trail work took place in 2011 to repair damage and was completed in 2012. All the trails were



either repaired or rerouted and are now open to the public. Little Missouri State Park marked its 40th anniversary in 2011 and it was featured on the NDPRD annual vehicle pass. A celebration of the anniversary was held late in the summer.

A much needed park improvement was completed in 2012, with the construction of a pay shower facility.

SULLY CREEK

Sully Creek State Park also succumbed to the flooding of 2011 as the Little Missouri River jumped from its banks and inundated the park, closing it for nearly a month during the spring. In 2012 Sully Creek was caught up in drought conditions and in the midst of several wildfires, though none did any damage.

Oil field activity is reflected in the parks visitation and camping numbers which have dramatically risen. The park, which was just an afterthought for many campers because of its nearness to the national park, is now as busy as it's ever been on a continuous basis. Reservations for horse sites were taken for the first time in 2012 and staff workload has increased tremendously as oil workers attempt to set up long term residence in the camping area, which is limited to 14 days a month.

More staff are needed for the park, but because of the economic climate in the area it's difficult to recruit workers.

TURTLE RIVER

Of North Dakota's 13 state parks, Turtle River was the least affected by the floods of 2011 and it was reflected by strong visitation and camping numbers during the past biennium.

A stream bank stabilization project was completed in 2012 along with replacement of the Agassiz vault toilet with new accommodations. Both projects were almost immediately vandalized, but have been repaired.

The park debuted a new program to go along with its Campground Host program, called "Work Campers." A full-service campsite is provided in exchange for 20 hours of labor. The program has been successful and could be expanded to further hours due to the interest.

TRSP did extend a sidewalk and created a handicap parking area to better accommodate two handicap accessible units of the Woodland Cabins. This allows those using the cabins to park much closer and improved wheelchair access. Air conditioning and dehumidifiers were installed in 12 Woodland Cabins to battle moisture and mold problems.

Planning

Planners manage to mix oil and water

The Planning Division continues to work in “oil country” on issues with oil development affecting state parks. Little Missouri and Lewis and Clark state parks are the most impacted from visual/noise impacts. Increased visitation and facility use at other western parks, while good for business, takes its toll on park facilities and infrastructure. Division staff provide support for park staff in the area of repairs and have shifted large project priorities to these parks most heavily impacted.

Extensive work was done with FEMA and the state’s Division of Emergency Services in completing 2011 disaster recovery projects. There were major recovery work projects at the Fort Abraham Lincoln State Park campground, and Little Missouri State Park trail system. There was less damage at Fort Ransom State Park along with debris removal from flood prevention work at Fort Stevenson State Park.

At the Fort Lincoln State Park campground, planning developed a flood mitigation approach to two heavily damaged sectors of the campground; the electrical service and camping cabins. Future flood issues with these two developments should be significantly reduced. A development master plan is being updated at Fort Abraham Lincoln State Park. The existing master plan was developed in 1978 and is outdated. The updated plan will incorporate contemporary uses, demographic changes, and recently acquired lands.

Division staff are doing preliminary assessments of U.S. Army Corp of Engineer properties on Lake Sakakawea and Oahe. This is done in response to a COE request that NDPRD consider managing certain recreation sites on these reservoirs. Due to lack of budget funding the COE feels it no longer can continue to effectively operate the recreation sites.

An additional project manager was provided Planning by the agency moving a FTE position from another division within the Department. Vaughn Rhodes was hired to fill the position in February of 2012. Vaughn is a ND registered architect. We look forward to his professional expertise assisting with projects in the division.

Carpenter Jerry Grasl rebuilt 32 windows for the reconstruct-

ed military barracks at Fort Abraham Lincoln State Park. Significant maintenance repairs continue to plague these buildings. The FALSP Cavalry square granary was completely repainted by contract this past summer. Numerous siding and trim boards needed replacement prior to painting. Approximately \$25,000 was spent on this project.

The Planning Division has completed 7 of the 9 biennium



The NDPRD is developing a new master plan for Fort Abraham Lincoln State Park.

large capital project budgets at this time. Close out invoices are all that remain. The biennium capital budget was \$4.2 million – the Division is satisfied with the progress on these projects.

Planning Division staff set project priority lists, budget allowances for the Major Improvement, and Capital Improvement budget prep for the 2013 – 15 biennium budget request. The

division priorities continue to focus on maintaining the public investment already in place and improving facilities for our visitors.

Several “FEMA Trailers” were purchased by the agency to replace old FEMA trailers. Planning Division staff have been designing and installing upgraded electric, water and sewer for 10 of these units.

RTP (Recreational Trails Program) trail projects were completed at Turtle River, Lake Metigoshe and the Pembina Gorge. Division staff completed the preliminary scoping, layout/design. Private contractors built the trails. Trail kiosks and intersection signing are ready for spring installation.

Jason Johnston continues to refine the agency TMA database program. The program is a valuable tool for the department physical assets, insurance, emergency equipment etc. Some hesitation remains with field staff in operation of the system and input of data. Jason also completed a WHIP stream bank stabilization project at TRSP.

Preliminary design plans are being set in motion for 2013-15 biennium projects.

Recreation Division

Planning for the future

The Recreation Division completed the 2013-2017 Statewide Comprehensive Outdoor Recreation Plan (SCORP). The plan measures outdoor recreation supply and demand along with setting regional funding priorities for the next five years. The SCORP is a guide for managing and developing the state's non-consumptive outdoor recreation base.

Outdoor recreation plays a significant role in the quality of life of North Dakotans. Outdoor recreation improved the health and well-being of the state's citizens promotes the conservation of the land, and contributes to the state's economy as one of the primary drivers of tourism, North Dakota's third largest industry.

Key findings of the SCORP:

- North Dakota households and outdoor recreation providers were surveyed in 2012 to determine the demand for and supply of non-consumptive outdoor recreation in the state. More than one out of every two North Dakota households (55 percent) feel outdoor recreation is very important and 93 percent feel it is important.
- Providers of outdoor recreation facilities in North Dakota include government agencies at the local, state, and federal levels, as well as nonprofit organizations. Overall, 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply for their users.
- Unmet funding needs reported by ND Outdoor recreation providers are in excess of \$104,000,000 over the next five years.

Statewide priorities based upon the surveys of North Dakota households and outdoor recreation providers were divided into three groups - primary, secondary and tertiary. Primary priorities included non-motorized trails, campgrounds and playgrounds/picnic areas/open space parks. Secondary priorities involved water-related areas pools/beaches/water access along with sports courts and fields. Tertiary priorities were winter sports facilities and motorized trails.

While surveys show interest in outdoor recreation is high among North Dakotans, resources for development, renovation, and maintenance is finite, making it critical to prioritize needs. Funding along with active partnerships are essential to meeting these needs.

The SCORP implementation plan relies heavily on enhancing outdoor recreation across the state through educating and engaging North Dakotans to ensure diverse outdoor recreation opportunities are available to citizens and visitors.

The Statewide Comprehensive Outdoor Recreation Plan will be made available online in January at the North Dakota Parks and Recreation Department website www.parkrec.nd.gov.



Community Assistance

The Recreation Division offers various grants to communities to aid in outdoor recreation facility and trail development.

- Recreational Trail Program Grants - granted out 1.1 million dollars for 11 trail projects.
- Land and Water Conservation Fund Grants - granting out \$330,000 for approximately 6 outdoor recreation facilities.
- Coordination of the ND Scenic Byways Program's 10 different byways and backways, which cover over 440 miles of the most scenic areas in the state.
- The first ever ND Trail Conference was offered in 2012 bringing together over 60 trail and recreation stakeholders and providers to learn and discuss the future of recreational trails in ND.

Motorized Recreation

The Pembina Gorge State Recreation Area (PGSRA) Grand Opening was held June 30th, 2012. The PGSRA is home to the state's first major OHV recreation area and includes over 20 miles of trail nestled in the scenic Pembina Gorge just minutes from Walhalla, ND. Development of trail facilities will continue for the next several years in an effort to establish the PGSRA as a regional OHV destination.

The Recreation Division, in partnership with Snowmobile North Dakota, continues to offer snowmobile trail opportunities for ND residents and visitors. The Snowmobile Trail system comprises over 2800 miles of trail and utilizes 100's of volunteers and a fleet of 14 Tucker Sno-cats to groom and establish the trails each season.

New strategic plans for both the OHV and Snowmobile Programs were completed this year and will guide program management over the next five years.

Safety Outreach

Over 360 children, age 12 and up, were certified at snowmobile and OHV safety courses.

OHV and snowmobile outreach efforts reached over 2500 people at safety fairs, presentations and conferences.

Natural Resources

Guiding conservation efforts

In 2012, the NDPRD Natural Resource Program (NRP) continued to provide the best available information to guide conservation actions, promote sound stewardship practices and foster awareness of natural resources.

The NRP worked with park staff in the planning and implementation of conservation projects. Program staff conducted inventories and assessment to evaluate vegetation resources.

Noxious weed control program continues to be one of the best in the state with detailed inventory, high tech mapping and biological technician's treating 95 percent of all weed infestations in the park system. NRP continued to develop databases and geographic information systems for state parks and statewide species of concern and significant ecological communities. NRP continued the promotion of knowledge, enjoyment and stewardship of North Dakota State Park's natural resources through a variety of education and outreach activities.



Natural resource planning

- Develop and update of prescribe burn plans as requested.
- Develop Talkington site summary report.
- Participate on FALSP master planning committee.
- Developed tree planting plan for GISP, FALSP and CRSP.

Inventory, monitoring, mapping, assessments

- Vegetation inventory and assessment on Natural Areas and potential nature preserves.
- Prairie restoration monitoring on all restorations for 23 years post planting (FSSP, LSSP, FALSP, DLSP and CRSP).
- Surveyed Western prairie fringed orchids in the Sheyenne National Grasslands.

Conservation projects and technical assistance

- Noxious weed control – chemical, mechanical and biological
- Restored CRSP flood impacted areas to native grasses.
- Develop tree and shrub planting designs and plans for FALSP, CRSP and GISP.

Spatial and tabular data maintenance

- GIS mapping of Talkington Nature Preserve.
- Completed over 30 Natural Heritage data requests and over 250 formal environmental reviews.
- Noxious weed spray maps.
- NatureServe Natural Heritage Data transfer.
- Updated trails maps for CRSP, LMoSP and LMSP.
- Plant Species of Conservation Priority

Addendum to ND Wildlife

Action Plan including species profiles and distribution modeling maps products.

Information and education outreach

- FALSP Master Planning – interpretation and education programs
- FALSP and LCSP self-guided trail enhancements and brochures
- FALSP and LCSP interpretive panels
- Natural Areas Registry Brochure
- Kids page for Discover
- Nature News on NDPRD website
- Earth Day festival
- State Fair education programs
- Becoming an Outdoors Woman Workshop at LMSP

Financial

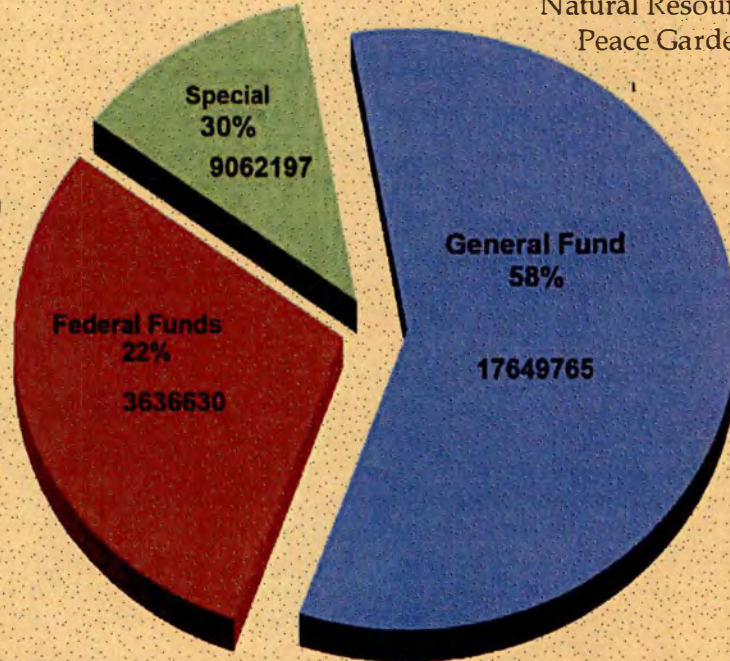
Funding Sources 2011-2013

Special Funds

Snowmobile \$780,240
 Off-Highway Vehicle \$425,000
 Gift Fund \$189,961
 Annual Pass Fees \$596,430
 Daily Pass fees \$448,100
 Camping Fees \$2,782,036
 Cabin Fees \$357,850
 Marina Fees \$332,850
 Mineral Lease One Time \$3,150,000

General Funds

Administration \$2,167,660
 Recreation \$334,931
 Natural Resources \$14,135,771
 Peace Garden \$1,040,699



Federal Programs

Scenic Byways \$196,055
 LWCF \$2,654,533
 RTP \$3,686,042
 Misc. \$170,000
 G&F \$80,000

Budget 2011-2013

Recreation

\$334,931 FG
 \$5,937,335 FF
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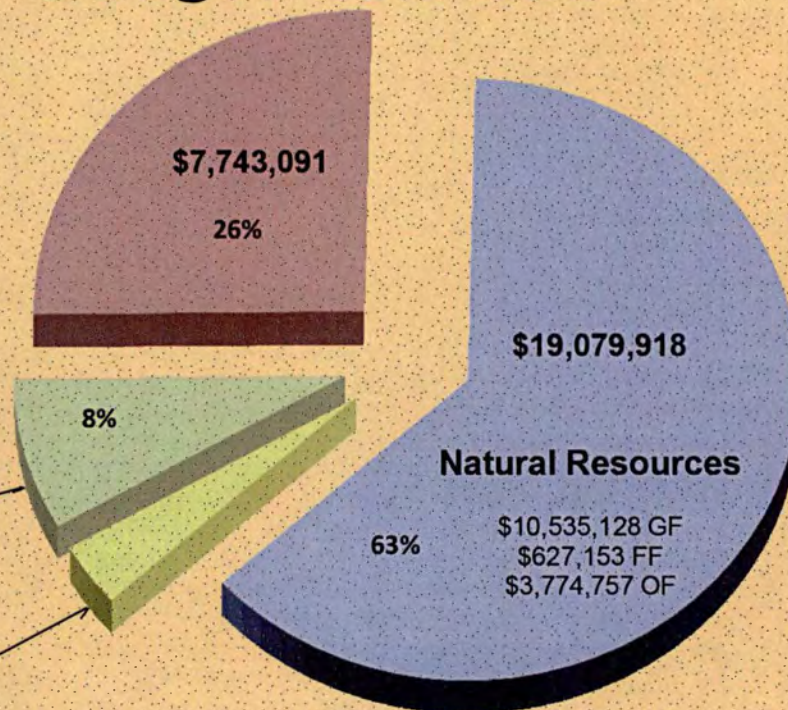
Administration

\$2,167,660 FG
 \$317,225 OF

\$2,484,885

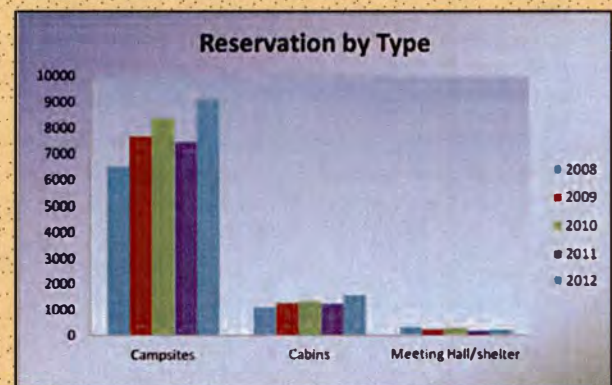
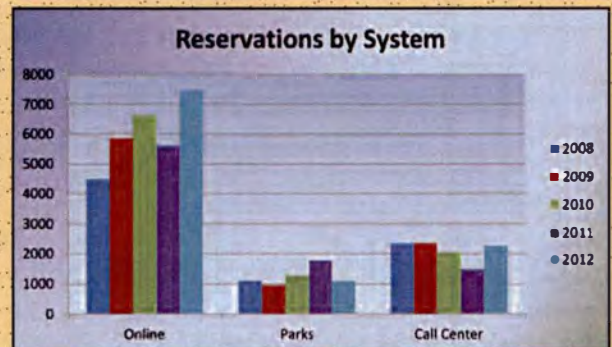
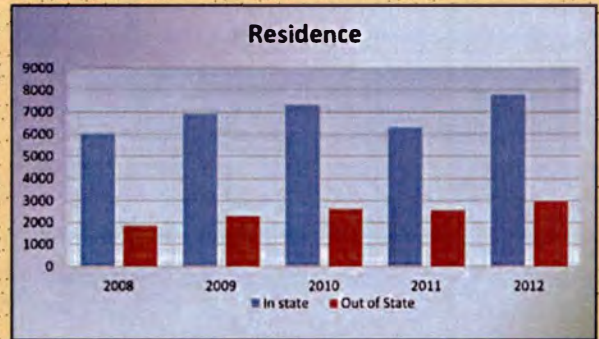
Peace Garden

All GF 3%
\$1,040,699



\$10,535,128 GF
 \$627,153 FF
 \$3,774,757 OF

Reservations



Reservations continue to grow

Campsite and Cabin reservations for the 2012 season reached an all-time high of 10,637 bookings and generated over 27,000 overnight stays in North Dakota state parks. All parks have seen increases in reservations over the past 5 years; however those in western ND have jumped 23 percent to 29 percent.

Seventy-nine percent of reservations were booked using the online system, a trend that has been rising steadily since the North Dakota Parks and Recreation Department first offered this option in 2008. Other campsite and cabin reservations are made through a telephone reservation center.

Fort Abraham Lincoln State Park's future

A master plan for Fort Abraham Lincoln State Park is being developed by the North Dakota Parks and Recreation Department. YHR Partners Architecture Planning is under contract by NDPRD to coordinate the effort which includes a NDPRD internal committee, citizen's advisory committee and public meetings. This is the first in a series of master plans the NDPRD is considering for its parks.

The citizens' group, represented by local leaders and related state agencies, met twice with the NDPRD internal committee to discuss the strategic plan and determine what should be considered along with the top priorities. Expansion of camping was considered by many to be the top priority and a proposal for developing a new campground south of the Commissary had the greatest appeal.

Members of the citizen's group also pointed out that the parks

attractions – the campground, On-A-Slant Indian Village, Cavalry Square, the Blockhouses, Stables and museum – were spread across the park and providing visitors with transportation from location to location is desirable.

Park administrative offices are in a building tucked behind the museum and often difficult to find. Building a new visitor center/administrative building near the park's entrance would make it more easily accessible and improve security.

These projects and others will be detailed at a public meeting scheduled for Jan. 9, 2013 at Mandan's new middle school. The public will be asked to weigh in on what they feel about the proposed projects and provide any other input on development of FALSP.

Keeping the public informed and preparing for the NDPRD's 50th anniversary

Communications is an important component of the North Dakota Parks and Recreation Department as it informs the public of what is available through the department using a variety of methods.

During the course of a year the Public Information Officer (PIO) will distribute between 60 and 70 press releases regarding NDPRD events, programs and activities. These are sent via email to North Dakota's media including newspapers, radio and television. Along with the press releases for activities and events the PIO creates materials such as posters and flyers to help market these events. The PIO also handles media requests for interviews and information.

The department publishes a variety of materials. In 2011 and 2012 the NDPRD distributed a number of new brochures including:

- State Parks Guide
- Beaver Lake brochure
- Turtle River brochure
- Fort Stevenson brochure
- Cross Ranch brochure
- Fort Ransom trail guide
- Cross Ranch trail guide
- Fort Stevenson trail guide
- Guide to parks allowing horseback riding
- Pembina Gorge OHV trail guide

Each year the department participates in Sports Shows which precede the camping season. These include shows in Bismarck, Minot, Fargo, Williston and Grand Forks. In 2012 the NDPRD held an outdoor exhibit at the North Dakota State Fair and will return in 2012. This year the department is again holding "Parks Day at the Capitol" which it first held in 2010.

Twice a year the department issues its newsletter, Discover, which is distributed through the state parks and by mail to park annual vehicle pass holders. Approximately 32,000 Discovers are sent out in the course of a year. Every other year the department puts out a comprehensive report in conjunction with the state's legislative session to provide lawmakers with information about NDPRD.

In the past five years NDPRD has taken a more active part in use of social media which is detailed in the information technology article also on this page. The NDPRD website, www.parkrec.nd.gov, is a good source of information for the public and is also the doorway to the secure online management system which allows the public to make reservations at state parks.

Marketing of the department prior to its 50th anniversary in 2015 is now being planned with several projects being considered.

IT continues to make strides in the social media arena

With the increasing importance of electronic communications the North Dakota Parks and Recreation Department is attempting to keep connected with its staff and customers through the various tools afforded:

The NDPRD is spread over 13 parks statewide with headquarters in Bismarck. There are approximately 100 computers active within this system using a variety of software packages beyond the normal office productivity tools including the online management system, GIS/GPS tools, a cyclic maintenance tracking program, Biotics, etc. The NDPRD maintains a department website, an intranet site and social media sites including Facebook, Flickr and YouTube.

The network connectivity needs of park staff have increased exponentially the last few years with the addition of the online reservation system, cyclic maintenance tracking system, PeopleSoft, etc. The NDPRD is looking at being able to offer the public WiFi access in the parks in the future. This year NDPRD was able to (via stimulus money from the federal government) add Ethernet connections to three of our most connectivity challenged parks, Lake Metigoshe, Fort Abraham Lincoln and Turtle River. Plans are to provide limited public WiFi access in these parks in 2013. The department will also develop a plan to offer public WiFi access in other parks.

The NDPRD website, www.parkrec.nd.gov, had 230,000 visits in 2012. Of those, 210,000 were from the United States, 18,758 were from Canada and the rest from all over the world. The number of visitors to the NDPRD website using smartphones and tablets are growing. The department does have a mobile version of the website available, but plans are to make it more mobile friendly in the future.

With the social medias becoming an important method of communications the NDPRD has had some success in using Facebook, Flickr and YouTube to raise awareness about the state parks, events, activities and available programs. The State Park Facebook page has nearly 1,100 people and organizations that have "Liked" the page.

The department continues to develop its Flickr page. This page has many photos that park staff have taken in the parks of scenery, wildlife, events and activities. Staff use the site to find photos for presentations, etc. It is available to the public which can use the pictures on a limited basis and it allows people to see what NDPRD has to offer. (Photos may not be used for advertising outside of North Dakota State government or without the permission of the NDPRD. The public can use images for purposes such as school reports and desktop backgrounds.)

The NDPRD YouTube site has a few Public Service Announcement videos and a handful of videos taken by staff in the parks. This site is a work in progress. Eventually the NDPRD wants to post videos from events, wildlife sightings, programs and activities.

State Park Statistics

Beaver Lake State Park

Acres - 283
 Visitation
 2011 - 18,769
 2012 - 17,853
 Camping
 2011 - 1,311
 2012 - 1,285
 Cabins
 2011 - 184
 2012 - 206
 In-State
 2011 - 95.5%
 2012 - 95.2%

Cross Ranch State Park

Acres - 589 (300 leased)
 Visitation
 2011 - 51,099
 2012 - 49,866
 Camping
 2011 - 526
 2012 - 1,322
 Cabins/Yurts
 2011 - 172
 2012 - 280
 In-State
 2011 - 74%
 2012 - 83.6%

Fort Abraham Lincoln State Park

Acres - 1,006.13
 Visitation
 2011 - 100,467
 2012 - 153,328
 Camping
 2011 - 487
 2012 - 5,910
 Cabins/Tipis
 2011 - 7
 2012 - 177
 In-State
 2011 - 35.3%
 2012 - 68%
 Horses
 2011 - 0
 2012 - 110

Fort Ransom State Park

Acres - 946.7
 Visitation
 2011 - 37,084
 2012 - 36,184
 Camping
 2011 - 1,870
 2012 - 2,131
 In-State
 2011 - 73.7%
 2012 - 77.4%
 Horses
 2011 - 543
 2012 - 994

Fort Stevenson State Park

Acres - 549

Visitation
 2011 - 137,536
 2012 - 152,177
 Camping
 2011 - 8,726
 2012 - 8,810
 Cabins
 2011 - 500
 2012 - 464
 In-State
 2011 - 90.2%
 2012 - 91.1%

Grahams Island State Park

Acres - 1,122
 Visitation
 2011 - 53,173
 2012 - 72,750
 Camping
 2011 - 4,338
 2012 - 8,365
 Cabins
 2011 - 394
 2012 - 542
 In-State
 2011 - 56.7%
 2012 - 59.8%

Icelandic State Park

Acres - 912.26
 Visitation
 2011 - 29,604
 2012 - 29,528
 Camping
 2011 - 9,292
 2012 - 8,900
 Cabins
 2011 - 236
 2012 - 217
 In-State
 2011 - 34.8%
 2012 - 35.2%

Lake Metigoshe State Park

Acres - 1,585.7
 Visitation
 2011 - 133,391
 2012 - 141,457
 Camping
 2011 - 1,131
 2012 - 6,025
 Cabins/Yurts
 2011 - 478
 2012 - 610
 In-State
 2011 - 80.3%
 2012 - 72.5%

Lake Sakakwea State Park

Acres - 1,284 (COE lease)
 Visitation
 2011 - 114,631
 2012 - 119,688
 Camping
 2011 - 8,784

2012 - 9,434
 Cabins
 2011 - 160
 2012 - 168
 In-State
 2011 - 91.1%
 2012 - 85.4%

Lewis and Clark State Park

Acres - 490 (COE lease)
 Visitation
 2011 - 86,266
 2012 - 105,820
 Camping
 2011 - 7,197
 2012 - 8,412
 Cabins
 2011 - 243
 2012 - 249
 In-State
 2011 - 57.8%
 2012 - 68.5%

Little Missouri State Park

Acres - 4,592 (3,687 lease)
 Visitation
 2011 - 13,665
 2012 - 19,866
 Camping
 2011 - 1,191
 2012 - 1,381
 In-State
 2011 - 68.2%
 2012 - 69%
 Horses
 2011 - 1,662
 2012 - 2,231

Sully Creek State Park

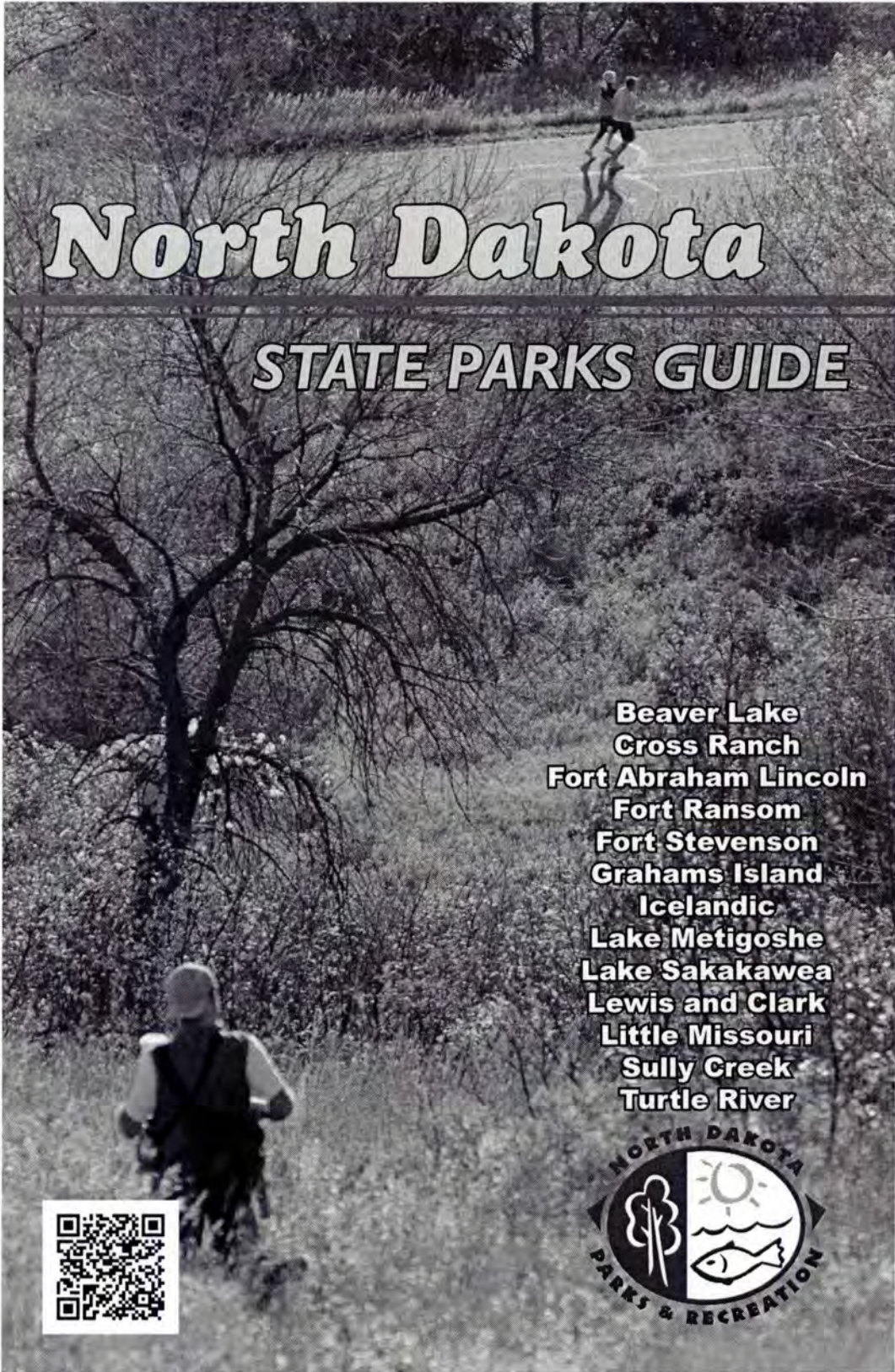
Acres - 80
 Visitation
 2011 - 65,283
 2012 - 67,776
 Camping
 2011 - 1,470
 2012 - 1,333
 In-State
 2011 - 37.6%
 2012 - 39.8%
 Horses
 2011 - 968
 2012 - 1,016

Turtle River State Park

Acres - 783
 Visitation
 2011 - 76,284
 2012 - 78,497
 Camping
 2011 - 3,833
 2012 - 4,041
 Cabins
 2011 - 452
 2012 - 463
 In-State
 2011 - 48.3%
 2012 - 54.8%

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North Dakota

STATE PARKS GUIDE

- Beaver Lake
- Cross Ranch
- Fort Abraham Lincoln
- Fort Ransom
- Fort Stevenson
- Grahams Island
- Icelandic
- Lake Metigoshe
- Lake Sakakawea
- Lewis and Clark
- Little Missouri
- Sully Creek
- Turtle River



Play in our backyard

The North Dakota Parks and Recreation Department invites you to discover the unique beauty and history of North Dakota by visiting its state parks, recreation areas and trails. These areas play an important role in preserving the state's history and the unique natural features defining North Dakota's landscape and heritage.



The history of the state is largely that of the people who inhabited it, and how their natural environment shaped them. Glimpses into the lives of those people—the Native Americans, the trappers, traders and explorers, and the homesteaders and ranchers—can be found in many of North Dakota's state parks. This guide tells you about state parks that preserve priceless Native American sites, areas visited by the Lewis and Clark Expedition, military forts, and ethnic settlements.

Other parks allow you to experience North Dakota's landscape and wildlife. Here you will find exciting recreational opportunities along our lakes and rivers, and unex-

pected wooded valleys, prairie vistas and rugged Badlands.

Whether you are a returning visitor or new to the state...take the time to explore North Dakota's state parks. The parks are open all year round for your enjoyment!

North Dakota State Parks Guide

North Dakota Parks and Recreation Department

1600 East Century Avenue, Suite 3, Bismarck, ND 58503, ph. 701-328-5357

E-mail—parkrec@nd.gov Web Site—www.parkrec.nd.gov

The North Dakota Parks and Recreation Department's facilities, programs and employment opportunities are open to all, regardless of age, sex, race, color, disability, religion, national origin or political affiliation. Contact us if you need an accommodation for a disability, or for an alternate format of this publication, at 701-328-5357 or Relay North Dakota TTY Service 800-366-6888.

General Information

Entrance and camping fees

All North Dakota state parks that are developed and maintained charge entrance and user fees year-round, based on the level of services available. In addition, user fees may be charged for other special services, facilities or activities.

Fees must be paid upon entering the park either to a park ranger or by using the park self-registration system.

Reservations

Campsite, cabin, yurt and tipi reservations at North Dakota's state parks can be made online or through the call center, at 800-807-4723. Check the North Dakota Parks and Recreation website at, www.parkrec.nd.gov, for more information.

Interpretive programs and special events

On weekends throughout the summer, most state parks host interpretive programs that are fun for the whole family. These programs highlight historic, natural or recreational features within the parks. In addition, state parks host a variety of special events that include kite festivals, fishing tournaments as well as the ever popular Christmas and Halloween themed weekends. For a complete schedule of events, contact the state park or check the North Dakota Parks and Recreation Department website at www.parkrec.nd.gov.

Cabins/yurts & group facilities

Ten state parks have cabins available for rent. Camping cabins (no interior bathrooms or cooking facilities) can be found at Beaver Lake, Fort Abraham Lincoln,

Fort Stevenson, Grahams Island, Icelandic, Lake Sakakawea and Lewis and Clark. Primitive log cabins are available year-round at Cross Ranch, while Lake Metigoshe has family-style cabins with kitchens and bathrooms. Turtle River has 12 duplex sleeping cabin units equipped with bathrooms and bunk beds that can be rented individually or by groups, along with a kitchen and dining hall. Group facilities at Lake Metigoshe include two dorms that sleep a total of 120, kitchen and dining hall.

General rules

- ◆ Campsite and cabin occupancy limited to no more than 14 days in a 30-day period.
- ◆ Must be 18 years of age or older to rent park campsites and facilities.
- ◆ Fires must be contained in designated fire rings and attended by an adult at all times.
- ◆ Campfires may be prohibited based on rangeland fire dangers.
- ◆ No pets allowed inside cabins or indoor facilities.
- ◆ Pets must be kept on a leash and attended at all times.
- ◆ Pet waste must be bagged and disposed of in an appropriate manner.
- ◆ No smoking in park facilities.
- ◆ No game or fish cleaning in or around cabins or group facilities.
- ◆ Contact park for restrictions on alcohol use and insurance requirements for rental of group facilities or shelters.
- ◆ Use of fireworks prohibited.
- ◆ Metal detecting on state property is not allowed.
- ◆ Firearms must be unloaded and stored in a gun case. Discharge of any weapon or projectile within a state park is not permitted.
- ◆ Additional info about facility use policies is available either online or at the park.

Beaver Lake State Park

Located on the west shore of Beaver Lake in south central North Dakota, Beaver Lake State Park provides a relaxing get-away for those wanting to get back to nature.



The gently rolling prairie provides scenic views for leisurely walks. In the summer, the lake attracts visitors for boating, canoeing, water skiing and fishing.

Park guests find plenty to occupy their time, whether it's studying the area's fascinating history; discovering the plentiful natural resource; taking advantage of refreshing water sports; hiking; mountain biking; fishing; or just relaxing in the shade of an American elm.

Nearby Attractions: Slade and Long Lake National Wildlife Refuges • Whitestone Battlefield State Historic Site • Golfing.

Facilities: 270 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Boat Ramp • Swim Beach • Camping Cabins • Mountain Biking.

Location: Seventeen miles southeast of Napoleon—3850 70th Street SE, Wishek ND 58495, ph. 701-452-2752, email blsp@nd.gov.



Cross Ranch State Park

Cross Ranch State Park is located along some of the last free-flowing and undeveloped stretches of the Missouri River.

A boat ramp and canoe and kayak rentals are available for those wishing to explore this scenic segment of the river, while anglers will find walleye, trout, catfish, salmon, pike and bass in its waters.

An extensive trail system can be explored either on foot or on cross-country skis during the winter months. The trails allow access to a 5,000-acre nature preserve with mixed grass prairie, river bottom forests and woody draws. Campers can use either the park's primitive campground or hike to their camping spot in a back country area.



The park is a favorite of area musicians and hosts the annual Missouri River Bluegrass Festival, a musical extravaganza drawing Bluegrass musicians from around the country.

While Cross Ranch State Park provides only primitive camp sites, the nearby Sanger campground has electrical sites and provides boat access to the Missouri.

Nearby Attractions: Cross Ranch Nature Preserve • Fort Mandan and Lewis and Clark Interpretive Center • Knife River Indian Villages National Historic

Site • Coal Mine and Power Plant Tours • Fort Clark State Historic Site.



Facilities: 589 acres • Camping • Electrical Hook-ups (Sanger only) • Campsite Reservations • Showers • Sewage Dump Station • Hiking and Cross Country Ski Trails • Cross Country Ski/

Snowshoe Rentals • Boat Ramp • Canoe/Kayak Access and Rentals • Fishing • Year-round Cabins/Yurts • Naturalist and Year-round Outdoor Learning Center Programming • Visitor Center.

Location: 12 miles southeast of Hensler—1403 River Road, Center, ND 58530, ph. 701-794-3731, e-mail crsp@nd.gov

Fort Abraham Lincoln State Park

Fort Abraham Lincoln State Park is rich in both early Native American and military history.

The visitor center and historic buildings feature exhibits and programs on the early occupation of the area. On-A-Slant Mandan Indian Village with its reconstructed earthlodges depicts the lifestyle of the Mandan, who lived



here from 1575-1781. In 1804, the Lewis and Clark Expedition camped nearby and noted their abandoned village in their journals. From 1872 until 1891, the military occupied this site, first under the command of

Lt. Col. George Armstrong Custer. The park features a modern campground and picnicking facilities, hiking and biking trails, as well as shoreline access for fishing in the Heart and Missouri rivers.

Facilities: 1,006 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Hiking, Mountain Biking, Horseback and Paved Interpretive Trails • Historian • Living History • Camping Cabins • Visitor Center and Historic Buildings • Missouri River Natural Area.

Nearby Attractions: Boat Ramps • Golf and Tennis Areas • State Capitol • North Dakota Heritage Center • Riverboat • Trolley • Zoo • Roughrider State OHV Trail

Location: Seven miles south of Mandan on Highway 1806—4480 Fort Lincoln Road, Mandan, ND 58554, ph. 701-667-6340, e-mail falsp@nd.gov.



Fort Ransom State Park

Taking its name from an 1860s military fort, Fort Ransom State Park is located in the midst of the scenic and heavily wooded Sheyenne River Valley.

The river provides abundant opportunities for canoeing, fishing and bird watching, while within the park can be found a short segment of the North Country National Scenic Trail. During the summer, picnicking and camping are favorite activities, while cross-country skiing is a popular winter sport. A farmstead within the park is the setting for the annual Sodbuster Days celebration, with demonstrations and exhibits of homesteading life.

Nearby Attractions: Bears Den Mountain Downhill Ski Area • Fort Ransom State Historic Site • Ransom County Historical Museum • Sheyenne Valley State Snowmobile Trail • Sheyenne National Grassland • Sheyenne State Forest • Sheyenne River Valley National Scenic Byway.



Facilities: 947 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Hiking, Horseback, Mountain Biking and Cross-Country Ski Trails • Canoe/Kayak Rentals • Visitor Center • Corral and Primitive Camp Sites.

Location: Two miles north of the community of Fort Ransom—5981 Walt Hjelle Parkway, Fort Ransom ND 58033, ph. 701-973-4331, e-mail frsp@nd.gov.

Fort Stevenson State Park

On the north shore of Lake Sakakawea, this park was named for a late 1800s fort that served as a supply depot for other military posts in the Dakota Territory.



Fort Stevenson State Park is known as the “Walleye Capital” of North Dakota. It’s a favorite spot for sportsmen to experience the great fishing on the lake and is home to the annual Governor’s Cup Walleye Fishing Derby.

Boaters will find excellent facilities, including two marinas — Garrison Bay and de Tro-

briand — with boat ramp access, fishing boat rental and boat and camper storage.

A variety of events are held at the park each year including the Sky Dance Sakakawea Kite Festival; CANDISC Bike Tour; and Beach Party. There is a seasonal naturalist providing education programs

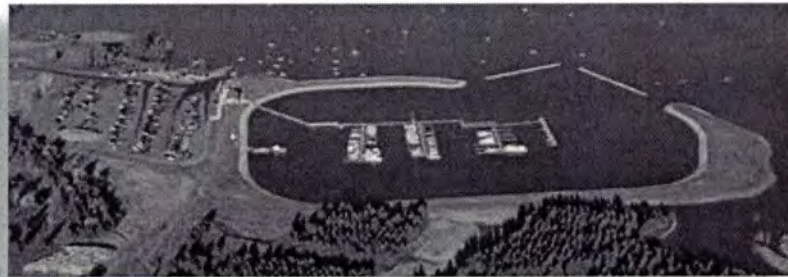
Nearby Attractions: Golf • Tennis • North Dakota Fishing Hall of Fame • Power Plant Tours • Broste Rock Museum • ND Firefighter Museum • Wally the Walleye, ND’s largest walleye.

Facilities:

549 acres •
Camping •
Campsites
with Sewer

and Electrical Hookups • Campsite Reservations • Family Cabins • Camping Cabins • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Two Marinas • Slip Rentals • Gas Dock • Fish Cleaning Station • Boat Ramp • Boat Rentals • Canoe/Kayak Rentals • Hiking Trails • Arboretum • Prairie Dog Town • Hiking Trails • Swim Beach • Park Concession • Cross Country Ski Trails

Location: Three miles south of Garrison, ND – 1252A 41st Avenue NW, Garrison, ND 58540, ph. 701-337-5576, e-mail fssp@nd.gov.



Grahams Island State Park

Devils Lake, North Dakota's largest natural lake, is home to Grahams Island State Park, named after the first known white settler in the area, Captain Duncan Graham. The park offers camping and picnicking facilities. There is a boat ramp, with access to the lake for fishing and other water sports, as well as a bait shop and gas facility. The park hosts numerous national and regional fishing tournaments during the year, and offers some of the best fishing in the midwest.



The Sivert Thompson Activities Center is available for rent and is an excellent facility for large group activities. It has seating for up to 180 people and is equipped with a wood-burning fireplace, indoor restroom, catering area and a large patio.

Nearby Attractions: Fort Totten State Historic Site • Sullys Hill National Game Preserve • Camp Grafton • Golf • Native American Crafts • Lake Region Snowmobile Trail • Historic Downtown • Lake Region Heritage Center

Facilities:

1,122 acres •
Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Sivert Thompson Activities Center • Boat Ramp •



Bait Shop • Hiking Trails • Playground • Camping Cabins • Fish Cleaning Station

Location: Sixteen miles southwest of the city of Devils Lake – 152 S. Duncan Road, Devils Lake ND 58301, ph. 701-766-4015, e-mail dlsp@nd.gov

Icelandic State Park

Situated on the north shore of Lake Renwick, camping, boating, swimming and fishing for northern pike and other game fish are popular activities at Icelandic State Park.



Within the park are the Pioneer Heritage Center and restored historic buildings, which provide a glimpse of North Dakota's homesteading heritage. An early homestead preserves the state's pioneer spirit.

The park includes the Gunlogson Nature Preserve, the state's first dedicated nature pre-

serve. This is a 200-acre natural wooded area along the Tongue River, providing a sanctuary for plants, birds and wildlife.

Nearby Attractions: Golf Course • Pembina Gorge • Pembina County Historical Museum • Pembina State Museum • Northeast Snowmobile Trail • Frostfire Mountain Ski Resort and Summer Musical • State Scenic Byway

Facilities: 912 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelter • Swim Beach • Boat Ramp and Courtesy Dock • Fishing Dock • Sledding Hill • Hiking Trails • Paved Bike Path • Groomed Cross-Country Ski Trails • Seasonal Naturalist • Playground • Camping Cabins • Interpretive Center and Historic Buildings

Location: Five miles west of Cavalier on Highway 5 – 13571 Hwy. 5, Cavalier ND 58220, ph. 701-265-4561, e-mail isp@nd.gov.



Lake Metigoshe State Park

Nestled in the scenic Turtle Mountains along the U.S./Canadian border, Lake Metigoshe is one of the most popular year-round vacation spots in North Dakota.

The small lakes within the park provide opportunities for fishing, canoeing, boating and swimming. A multitude of trails attract hikers and mountain bikers. Winter brings snowmobilers, cross-country skiers, sledders and ice fishing enthusiasts. Three year-round cabins with kitchens, gas fireplaces and bathrooms along with a yurt can be rented by the night or week, and group dorms (cap. 120), kitchen and meeting facilities are also available.



Nearby Attractions: International Peace Garden & Music Camp • Camp Metigoshe • Downhill and Cross-Country Ski Areas • Peace Garden State Snowmobile Trail • Golf Courses • Turtle Mountains • J. Clark Salyer and Lords Lake National Wildlife Refuges • Rendezvous Region Scenic Byway.

Facilities: 1,551 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Swim Beach • Boat Ramp and Fishing Dock • Hiking, Mountain Biking, Snowmobile and Groomed Cross-Country Ski Trails • Sledding Hill • Warming House • Canoe, Kayak, Snowshoe and Cross-Country Ski Rental • Naturalist and Year-round Outdoor Learning Center Programming • Playgrounds • Year-Round Cabins and Yurt Facilities • Group



Dorms, Kitchen and Meeting Facilities

Location: Sixteen miles northeast of Bottineau--#2 Lake Metigoshe State Park, Bottineau ND 58318, ph. 701-263-4651, e-mail lmisp@nd.gov.

Lake Sakakawea State Park

On the south shore of Lake Sakakawea adjacent to Garrison Dam, Lake Sakakawea State Park offers a wide range of water-based recreational activities and facilities.

The park has a full-service marina, including convenience store, fishing



guide services, and boat and camper storage. Boat ramps in the park offer deep water access to some of the best fishing on Lake Sakakawea. The park also features modern camping and picnicking facilities. Hikers enjoy a segment of the North Country National

Scenic Trail. Sleeping cabins are available for rent during the camping season.

Nearby Attractions: Garrison Dam and Fish Hatchery • Audubon National Wildlife Refuge • Knife River Indian Villages National Historic Site • Coal Mine and Power Plant Tours • Golfing

Facilities: 1,293 acres • Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters • Swim Beach (contact park for status) • Marina • Fish Cleaning Station • Boat Ramps • Hiking Trail • Camping Cabins • Visitor Center



Location: A mile north of Pick City – Box 732, Riverdale, ND 58565, ph. 701-487-3315, e-mail lssp@nd.gov.

Lewis and Clark State Park

The towering buttes and rolling hills to Lake Sakakawea provide a rugged backdrop to this park, situated on one of the upper bays of Lake Sakakawea.

Modern boating facilities, including marina with slip rentals and a boat ramp, are major attractions.

Anglers will find excellent fishing for walleye, sauger and northern pike. Visitors can become acquainted with the natural communities associated with the park by hiking a self-guided nature trail. Camping cabins with air conditioning, a microwave oven and coffee pot are available during the summer months.



There is a swimming area for campers near the cabins and a day-use beach at the south end of the park.

Nearby Attractions: Buffalo Trails Museum • Fort Union Trading Post National Historic Site • Fort Buford State Historic Site • Golf Areas



Facilities: 490 acres • Camping • Electrical Hookups • Campsite Reservations • Showers and Flush Toilets • Sewage Dump Station • Picnic Shelters

• Marina • Fishing • Cleaning Station and Boat Ramp • Nature Trail • Camping Cabins.

Location: Nineteen miles southeast of Williston on Highway 1804-4904 119th Road NW, Epping, ND 58843, ph. 701-859-3071, e-mail lcsp@nd.gov.

Little Missouri State Park

Little Missouri State Park contains some of the most rugged, picturesque Badlands terrain in the state.

Most of the park is accessible only by horseback or hiking. Numerous wildlife species frequent the park, including mule deer, coyote, fox, bobcat and golden eagle. Horse rentals and a guide service are located adjacent to the park. In addition, cor-



inals and well water are available for those bringing in their own horses to ride the 50 miles of trails. Use of certified weed-free feed is required.



Nearby Attractions:

Theodore Roosevelt National Park (North Unit) • Lake Sakakawea • Killdeer Mountains • Killdeer Mountains Round-up Rodeo • Little Missouri State Scenic River (no access from park) • Killdeer Mountain Four Bears Scenic Byway.

Facilities:

4,592 acres • Camping • Electrical Hookups • Campsite/Corral Reservations • Vault Toilets • Picnic Shelters • Hiking and Horseback Trails • Corrals • Shower House.

Location: 17 miles north of Killdeer – c/o Cross Ranch State Park, 1403 River Road, Center, ND 58540, ph. 701-794-3731 or 701-764-5256 email crsp@nd.gov.

Sully Creek State Park

Located in the heart of the North Dakota Badlands, Sully Creek State Park is just minutes away from the historic town of Medora and Theodore Roosevelt National Park.

In the early spring, canoeing/kayaking the Little Missouri River is a popular activity.

Corrals are provided for those bringing in their own horses. Horseback riders, mountain bikers and hikers have access to the 120-mile long Maah Daah Hey Trail, which traverses the Little Missouri National Grassland. Use of certified weed-free feed is required by horseback riders using the trail. For additional trail

restrictions, contact the Dakota Prairie Grasslands, North Dakota Parks & Recreation Department or the National Park Service.



Nearby Attractions: Theodore Roosevelt National Park (South Unit)
• Little Missouri National Grassland • Burning Coal Vein • Medora • Chateau de Mores State Historic Site • Little Missouri State Scenic River.

Facilities: 80 acres • Camping • Horse Corrals • Campsite/Corral Reservations • Canoe Access • Maah Daah Hey Trail Access • Shower House • RV Dump.

Location: Two and a half miles south of Medora—c/o Fort Abraham Lincoln State Park, 4480 Fort Lincoln Road, Mandan, ND 58554, ph.701-667-6340 or 701-623-2024 email: falsp@nd.gov.

Turtle River State Park

Constructed in the 1930s by the Civilian Conservation Corps, this park is located in a beautiful, wooded valley along the meandering Turtle River. The park features year-round recreational activities, including camping, picnicking, hiking, mountain biking, cross-country skiing and sledding. Anglers can also practice their fly fishing techniques in the trout-stocked river.



Perfect for weddings, family reunions and other group activities is the spacious Woodland Lodge, with its kitchen and dining hall. Sleeping cabins, equipped with bathrooms and bunkbeds (no cooking inside), can also be rented by groups or individuals during the summer. The upstairs of the Chalet/Warming House is also available to

rent for just about any type of group function. The CCC Memorial Shelter offers a picturesque setting and is popular for wedding and large group picnics.

Nearby Attractions:

Golf Course • Latimore Dam and Recreation Area • University of North Dakota • Grand Forks Air Force Base • Kelly's Slough National Wildlife Reserve • Prairie Chicken Management Area • Oakville Prairie.

Facilities: 784 acres •

Camping • Electrical Hook-ups • Campsite Reservations • Showers and Flush Toilets •

Sewage Dump Station • Hiking, Mountain Biking and Groomed Cross-Country Ski Trails • Paved Nature Trail • Outdoor Learning Center • Naturalist and Year-round Outdoor Learning Center Programming • Sledding Area • Playground • Warming House • Sleeping Cabins • Kitchen and Dining Hall • Visitor Center.

Location: Twenty miles west of Grand Forks on Highway #2 – 3084 Park Ave., Arvilla ND 58214, ph. 701-594-4445, e-mail trsp@nd.gov.



Pembina Gorge Recreation Area

The Pembina Gorge State Recreation Area is being developed in a way new to the state of North Dakota. The North Dakota Parks and Recreation Department is implementing a multiuse trail system to accommodate the three classes of Off-Highway Vehicles (OHVs): dirt bikes, four wheelers, and side by sides.

The most recent development is a 24-mile looped trail completed in the spring of 2013. It accommodates OHVs up to 60 inches wide.

More traditional, non-motorized trail opportunities are in the works as well. The Tetrault Woods State Forest, located south of Walhalla, is undergoing some trail enhancements which includes a floating bridge across a beaver pond and trail repairs to provide an unforgettable walk through the woods.

Other recreational opportunities in the Pembina Gorge area include hiking, mountain biking, horseback riding, bird watching, primitive camping, wildlife viewing and canoeing/kayaking.

Location: OHV Trail is five miles west, a mile north, a mile west of Walhalla; Tetrault Woods is two miles south of Walhalla – 101 5th St. Walhalla, ND, 58282 Phone: 701-549-2444, email pgsra@nd.gov.



Indian Hills Recreation Area

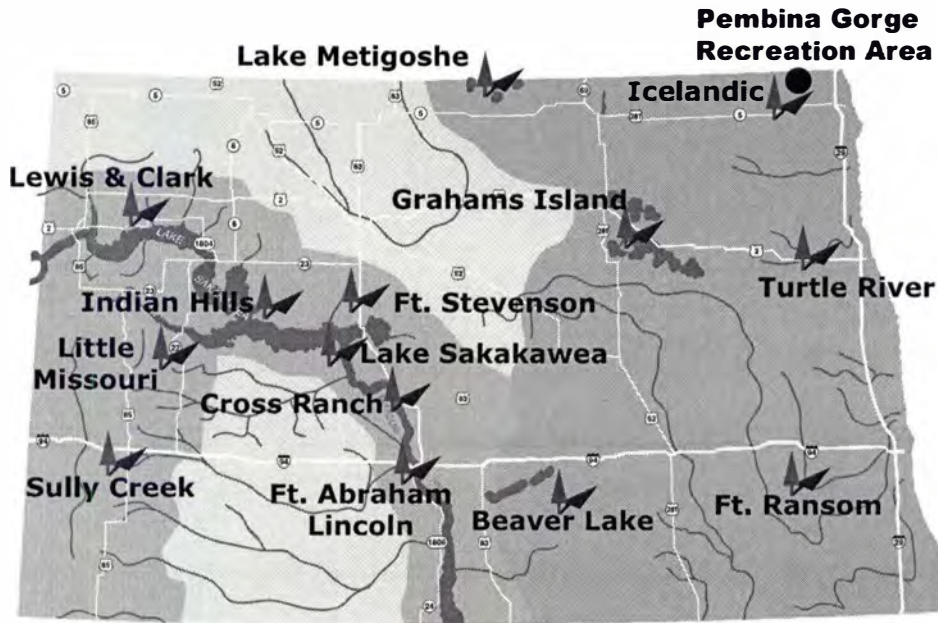
Indian Hills State Recreation Area and Resort is operated by a private leasee. Amenities include camping, modern and primitive cabins, boat ramp, camp store, fishing guide service and hiking, mountain biking and birding trails.

Nearby Attraction: Broste Rock Museum • North Dakota Fishing Hall of Fame • Three Affiliated Tribes Museum • Casino • Golf and Swimming Areas.

Facilities: 80 acres • Camping • Electrical and Water Hookups • Showers • Sewage Dump Station • Fish Cleaning Station • Boat Ramp • Hiking and Biking Trails • Cabins • Picnic Shelter • Gas Dock • Overnight Docking.

Location: Thirty-one miles west of Garrison – 7276 14th Street SE, Garrison, ND 58540, ph. 701-743-4122, e-mail ksorge@btinet.net.

Parks locations and amenities



 Campground

Park Amenities		Amenities																						
		Campsites	Group Campsites	Electricity	Electricity/Sewer hookups	Showers	Dump Station	Overnight Accommodations	Group Complex	Visitor Center	Historic Buildings	Indoor Meeting Facilities	Picnic Shelters	Playground	Swim Beach	Marina	Boat Ramp	Fishing	Canoe/Kayak Rentals	Hiking Trails	Bicycling Trails	Horseback Riding	Winter Activities	Concessions
Beaver Lake	33	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Cross Ranch	70	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Abraham Lincoln	96	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Ransom	36	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Fort Stevenson	154	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓		✓	✓			✓	✓
Grahams Island	107	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Icelandic	161	✓	✓		✓	✓	✓		✓			✓	✓	✓		✓	✓		✓	✓			✓	✓
Lake Metigoshe	130	✓	✓		✓	✓	✓	✓				✓	✓	✓		✓	✓		✓	✓			✓	✓
Lake Sakakawea	192	✓	✓		✓	✓	✓		✓			✓	✓	✓	✓	✓	✓		✓	✓			✓	✓
Lewis and Clark	83	✓	✓		✓	✓	✓		✓			✓	✓	✓	✓	✓	✓		✓	✓			✓	✓
Little Missouri	30		✓		✓	✓	✓					✓							✓	✓			✓	✓
Sully Creek	38	✓			✓	✓	✓												✓	✓			✓	✓
Turtle River	100	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓			✓	✓

Winter Activities

Most of North Dakota's state parks are open all year and provide an assortment of winter activities, including cross-country skiing, snowshoeing, sledding, ice-skating and ice fishing. Many of the parks have cross-country ski trails designed to challenge novice and advanced skiers. Snowshoers, while not allowed on groomed cross-country ski trails within the state parks, can blaze their own trails through undisturbed snow during the winter months.

The state also has 14 snowmobile trails, which cover over 3,400 miles of groomed and ungroomed trails. The snowmobile season runs from December 1 through April 1, providing the trails have a minimum base of four inches of packed snow.

Conditions for both snowmobile and cross-country ski trails are posted on the North Dakota Parks and Recreation Department website, www.parkrec.nd.gov, or are available by calling the North Dakota Tourism Division at 1-800-HELLO ND.

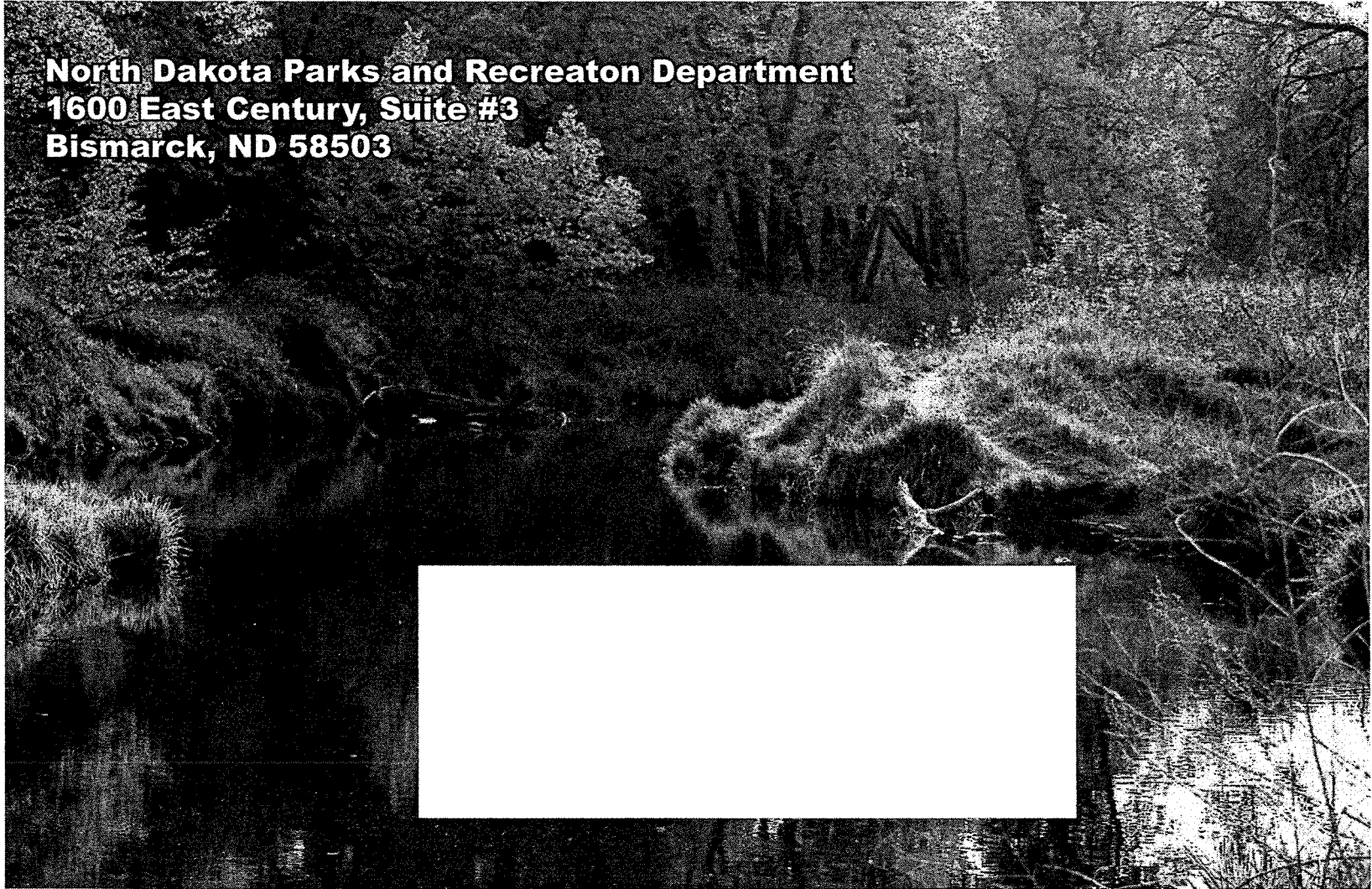
Cross Country Skiing	Trail	Miles	Sled Hill	Ice Fish	Notes
Beaver Lake	•	5		•	
Cross Ranch 701-794-3731	MG	10			Ski/snowshoe rentals
Ft. Lincoln 701-667-6340	•	6.75			
Ft. Ransom 701-973-4331	MG	6.5			Warming house
Ft. Stevenson 701-337-5576	MG	3		•	
Grahams Island 701-766-4015	MG	3	•		
Icelandic 701-265-4561	MG	5	•	•	Interpretive center open
Lake Metigoshe 701-263-4651	MG	8.5	•	•	Ski/snowshoe rentals, warming house
Lake Sakakawea 701-487-3315	•	3	•	•	
Lewis and Clark 701-859-3071	MG	4		•	
Turtle River 701-594-4445	MG	7.5	•		Chalet/warming house

Marked

State Snowmobile Trails	Trail	Miles	Location (Info: 701-328-5357/ www.parkrec.nd.gov)
Northeast (Pembina Gorge)	MG	417.5	Langdon, Walhalla, Cavalier, Edinburgh
Peace Garden	MG	190	Bottineau, Rolla
East Central Valley	MG	202	Casselton, Fargo
Sheyenne Valley	MG	286	Jamestown, LaMoure, Ft. Ransom, Valley City, Oakes
Red River North	MG	151.5	Minto, Grafton
Red River South	MG	193	Grand Forks, Manvel, Fordville
Lake Region	MG	216	Devils Lake
Mayville-Portland	MG	74	Hatton, Portland, Mayville, Hillsboro
Missouri Valley	MG	213	Mandan, Bismarck, Linton
Sno-Trails	MG	351	Minot, Velva, Towner
North Central	MG	180	Rugby, Cando
Southern Valley	MG	136	Wahpeton, Mooreton
Cattrail	MG	103	Hope
Sargent County	MG	90	Gwinner

Groomed

**North Dakota Parks and Recreation Department
1600 East Century, Suite #3
Bismarck, ND 58503**





Doug Hevenor
HB 1019
3-14-13

#4

March 14, 2013 10:00 AM Harvest Room North Dakota Legislature

Good Morning Chairman Holmberg and Committee members,

I would like to thank you and North Dakota Parks & Recreation Director Mark Zimmerman for the opportunity to come and testify today in support of HB 1019. My remarks will address the State Grant for the International Peace Garden

During the 62nd Legislative Assembly of the State of North Dakota appropriated \$1,000,699.00 for 2011-2013 funding. The allocation included \$267,000.00 in Capital Funding for the Conservatory expansion and the 911 Stroll & Contemplative Garden.

The Basic and the first section of the Operational Adjustment portions of this budget request will deal with the ongoing operational needs of the IPG. The current North Dakota allocation is \$733,699.00 as established during the 2011-2013 session.

Optional Adjustment Request

We have made a request for an increase of \$100,000 annually to the annual allocation from North Dakota to the IPG for \$200,000 per biennium. The Governor's budget suggests this request.

This optional adjustment request includes two areas of concern. The funds \$200,000 for the Biennium will target two core areas:

1. Wages for acquisition and retention of employees. We are now feeling the effect of the Bakken Shale Oil expansion as it moves nearer to Bottineau and Rolette Counties and it is becoming harder and harder to retain and locate young low wage workers to either make a career with us at the IPG or come and work seasonally here at the Peace Garden.

2. Enhanced advertising and promotion with our new facilities and the spectacular Succulent Collection we need to increase our advertising and promotion for the Peace Garden.

In the Governor's Budget the State provided for this operational increase of \$200,000 and we would encourage you to approve and pass this increase as presently indicated in HB 1019.

Capital Requests

The International Peace Garden is also made two Capital project requests. The first is for a pre-appropriation request to investigate the best plan of action to deal with the degradation to the columns and cross member beams of the Peace Tower and a second request for Water & Wastewater Infrastructure Upgrades.

Neither of these requests were included in the Governor's Budget. We ask that you consider them and approve them as Senate Legislative changes to Capital Appropriations for HB 1019.

Planning Pre-Appropriation Peace Tower

\$500,000

In 1980 the North Dakota Historical Society, The National Parks Service and the International Peace Garden worked jointly to provide funding for the design & construction of the Peace Tower.

Our Plan is to work with Kadrmas, Lee Jackson (KL&J) from Bismarck North Dakota. KL&J provides a wide range of structural engineering services. Their engineers are experienced in aviation, energy, industrial, land management, transportation and water-resource management structures. Their versatile team designs with a variety of building materials including aluminum, concrete, and masonry, steel and wood. They also specialize in Foundation Design, Structural Load Rating of Existing Systems, and Structural Assessments.

In the past, the ND Legislature has provided funding for pre-appropriations. We are asking for such a pre-appropriation to study of the best plan of action to deal with this problem with the Peace Tower. We believe that that the Province of Manitoba will assist in funding the actual repair of the towers so we anticipate these construction costs could be shared between Province and State. Because of the high degree of appreciation of this structure, we also believe that we could be successful in acquiring some private funds towards the future repair.

The Peace Tower was constructed from 1980 to 1983. In 1984, the base pools began leaking and had to be drained and filled with rock. In the early 1990's the concrete floors and base started cracking and heaving. Concrete resurfacing has been ongoing to the sidewalks and floor basal area. In 2011, we spent \$25,000 resurfacing sidewalks and landings at or near the Peace Tower.

During the winter of 2011, rust spots from the iron-rebar, reinforcing, rods started to become visible on the Peace Towers outer service. At the same time, white calcium deposits have shown up leaking down the side of the Peace Tower. In the spring of 2012 small pieces of cement have started falling and the towers cross members have visible scaring and abrasion on the horizontal connecting cross members. We are also starting to see major cracking and fracturing in the on ground basal structures. As the Peace Tower continues to degrade, the IPG will have to restrict entry to the base area of the tower and make plans to deal with the future removal of the towers.

No professional engineering study has been undertaken to date. We have had two independent contractors offer opinions concerning the towers. They both suggested that the towers would continue to degrade and eventually become unsafe for pedestrian traffic underneath them on the floor base.

We have determined that the original construction tender was for \$1,350,000 in 1980. If the Peace Tower were constructed now in 2013, the associated cost would be \$6,356,054 USD (if designed & tendered summer 2013)

It has now been 30-years since construction was completed. We want to find out through an engineering study how we can make this tower last for many, many more years or consider the costs of removing it completely.

Moreover, over hundreds of thousands of visitors have come to the International Peace Garden to see this "Iconic Peace Tower" looking across the State of North Dakota from its Northern Border.

Infrastructure Requirements

Water system	\$ 1,500,000
Sewer System	\$ 1,075,000
Roads, Ditches & Throughways	\$ 875,000
Design	\$ 245,000
General Contractor	\$ 245,000
Soft Costs	\$ 276,000
Total Costs	\$ 4,416,000

The sewer waste and water systems, were installed and renovated from the 1930's and 1950's, with the current systems being developed in the late 1970,s and early, 1980's.

These are our primary and only sources to supply our needs. At this time, there is no County source for water supply or sewage evacuation available to the International Peace Garden (IPG)

We recently completed a Water & Wastewater Assessment hiring the firm AECOM/Earth Tech working from two of their office sites in Minneapolis-St Paul, Minnesota and Winnipeg, Manitoba. We completed pipe evaluation inspected several main water unions, completed geotechnical tests and usage calculations to determine our needs. Two reports were compiled supporting the identified costs:

- (i) Waste water System Assessment for the IPG
- (ii) Water Assessment for the IPG

We believe adequate planning has been completed for this project by consulting industry experts. We do not feel that we need to incur more, exploratory costs. We believe that there is an opportunity to have these costs shared with Manitoba.

These systems are privately operated by the IPG and we have no other sources for water or treatment of wastewater available to us from Rolette County. Without these systems in operation, the Peace Garden would eventually not be able to continue to operate them and continue to meet the State Health code.

Respectfully,



Doug Hevenor, CEO

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Dunseith, ND 58329-9445
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Boissevain, MB R0K 0E0
(204) 534-2510

NDRPA

North Dakota Recreation & Park Association •

advancing parks and recreation for quality of life in North Dakota



HB1019
#5
3-14-13

**Testimony of Ron Merritt
North Dakota Recreation & Park Association
To Senate Appropriations Committee
In Support of HB 1019
Parks and Recreation Department Appropriation
Thursday, March 14, 2013**

Chairman Holmberg and Members of the Committee, my name is Ron Merritt, and I am a board member of the North Dakota Recreation & Park Association (NDRPA) and director of the Minot Park District. NDRPA represents more than 500 members across the state and works to advance parks and recreation for an enhanced quality of life in North Dakota. I am here on behalf of NDRPA in support of House Bill 1019.

North Dakota's system of public parks and recreation programs is an essential community service, encouraging healthy, active lifestyles for our citizens; playing a significant role in advancing tourism; and supporting economic growth through increased property values and lower health costs.

NDRPA is currently working with the Department of Agribusiness and Applied Economics at North Dakota State University on an economic contribution study for the state's 12 largest park districts and the North Dakota Parks and Recreation Department. Although the study is not yet complete, the preliminary number for the total annual economic contribution of these agencies is estimated at \$677 million. This includes direct impacts of \$254 million, which encompasses participant, spectator, and visitor spending for agency-administered programs, along with operational expenditures. Secondary impacts of \$423 million are based on the North Dakota Input-Output Model, which calculates the total business activity resulting from the direct impacts of public parks and recreation agencies. This economic contribution is based on more than 1 million visitors to state parks and more than 150,000 participants in park district programs. Further, the \$677 million impact does not even take into account all of the partner programs and users who would not be able to offer their programs without local parks and recreation facilities, such as Babe Ruth baseball and youth soccer.

NDRPA supports the Department's original appropriation for operating expenses and capital projects as outlined in HB 1019. We also ask for the Committee's support for the community grant program and consideration in increasing the amount of funding. This is the only state funding

now available for community parks and recreation facilities, including playgrounds, pools, multi-purpose fields, and trails. This 50/50 matching grant program provides the state with a high return on investment, as local communities often invest more funds than required and the economic contribution of these facilities is significant to the local economy. Further, the need for this program is demonstrated in the *2013-2017 North Dakota State Comprehensive Outdoor Recreation Plan*, which states that 93 percent of North Dakota households feel outdoor recreation is important, while 57 percent of outdoor recreation providers report demand for facilities and activities exceeds supply. Finally, the estimated unmet capital need by North Dakota's outdoor recreation providers over the next five years is more than \$102 million.

With the state's strong economy and growing population, the North Dakota Parks and Recreation Department and local park districts need sufficient resources to protect our public parks. Providing safe, affordable, and accessible outdoor recreation opportunities for our citizens and visitors is essential to maintaining North Dakota's commitment to a high quality of life.

We urge a do pass recommendation on the original HB 1019 with funding for the community recreation matching grant program of at least \$400,000. Thank you.

2013

Rendezvous Region

Kathy Stremick, Director
City of Walhalla Economic Development

701 549-2707 Office
701-741-6251 Cell
walhalla@utma.com

#6
HB 1019
8-14-13

Rendezvous Region
Heart of the Pembina River Gorge

PO Box 311
1103 Central Avenue
Walhalla, ND 58282
www.walhalland.org



In 2005 Governor Hoeven, through the support of NDDOT, continued to support the Rendezvous Region with the Master Plan for Trail Development in the Turtle Mountain and Pembina Gorge Areas. Because of this Master Plan, the State of ND, through the ND Parks and Recreation Department, has hired an onsite manager to oversee the development and management of the Pembina Gorge State Recreation Area. The headquarters for the operation is located in Walhalla at the ND Forest Service Field Office. The trailhead for the Pembina Gorge State Recreation Area is located 7 miles west of Walhalla.

The Pembina Gorge State Recreation Area is being developed in a way new to the state of North Dakota. The North Dakota Parks and Recreation Department has developed a **multiuse trail system** to accommodate the three classes of Off-Highway Vehicles (OHVs): dirt bikes, four wheelers, and side by sides. While designed for the use of OHVs it is also open to hikers, mountain bikers, horseback riders and birders. It accommodates OHVs up to 60 inches wide. The trail currently consists of a 24 mile looped network of trails. More traditional, non-motorized trail opportunities are in the works for 2013. Also included in the Pembina Gorge State Recreation Area is the Tetrault Woods State Forest, located south and west of Walhalla. The NDPRD has assumed management of the recreational aspect of the forest due to the trail aspects and on-site management. Thus far, the NDPRD has completed trail enhancements which included a floating bridge across a beaver pond and trail repairs to provide an unforgettable walk through the woods

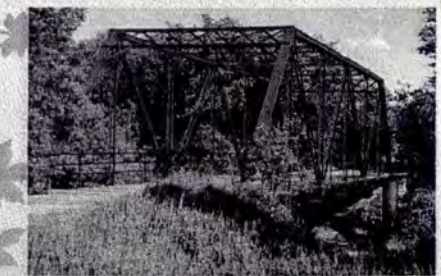
The City of Walhalla recently completed some beautiful scenic overlooks along the Rendezvous Region Backway showcasing the Pembina River Gorge. In addition to the ecotourism development in the area, there is also plenty of North Dakota history on display at the Gingras Trading Post, the Kittson Trading Post, Icelandic State Park, Pioneer Heritage Center, Gunlogson Homestead and Nature Preserve, and the Pembina State Museum.

As we look to the continued development of the Pembina Gorge State Recreation Area an adequate and appropriate management regime needs to be developed and closely monitored. The ND Parks and Recreation Department is already ensuring that the natural areas used for ecotourism remain in a conserved natural state for future generations to enjoy. But, they need the infrastructure and tools to continue to grow and develop in an environment visible to the general public to provide a year round family adventure.

To date the State of North Dakota has invested \$430,000.00 in appropriated funds and an additional \$410,000.00 has been received from the Recreational Trails Program through the Federal Highway Department in the Pembina Gorge State Recreation Area for development in the area.

It is imperative that development continues in ways that foster support for the protection and sensitive use of the Pembina River Gorge, a North Dakota treasured resource. Frost Fire Mountain is located in the heart of the Pembina River Gorge and has been an anchor and key draw to the Rendezvous Region. The entire region has taken advantage of the traffic Frost Fire provides by developing and expanding attractions throughout the area. Frost Fire would provide the facilities for a great interpretive center of the Pembina River Gorge and the Pembina Gorge State Recreation Area, providing ND Park and Recreation Department a home to expand in NE North Dakota where tourism is a legendary journey steeped in history, with natural resources, scenic beauty, cultural, and recreation, enhanced through nature-based ecotourism.

The Pembina Gorge State Recreation Area needs a home and the Pembina Gorge needs an interpretive center that will provide visitors with a RICH EXPERIENCE as they travel across the great state of NORTH DAKOTA.



Rendezvous Region

Heart of the Pembina River Gorge

What is Nature Base Ecotourism?

Tourism has been identified as one of the largest and fastest growing industries in the world. In particular, nature-based ecotourism has been singled out as an important component of the tourism industry and has experienced significant growth. Ecotourism is nature based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable.

Nature-based ecotourism attractions provide substantial economic gains, retail, and service related businesses in and around host communities. To sustain the growth of tourism and maintain its associated benefits, it is important to ensure that residents and visitors are satisfied with the experiences provided. Nature-based and ecotourism comprises a number of outdoor activities undertaken by tourists in the natural environment.

It ranges from high impact adventure activities such as skiing, snowboarding, and snowmobiling, four (4) wheeling, cross-country skiing, adventure racing and biking, to more relaxing activities such as hiking, bird watching wildlife viewing, photography, stargazing, camping, hiking, hunting, fishing, horseback riding, scenic tours, along with cultural, and historical experiences, and state parks.

Canoeing and kayaking offers a more personal way to connect with nature. The quiet of being out on the water allows paddlers to experience a closer view of wildlife and scenery.

Tetrault Wood Scenic Overlook



Frost Fire Mountain



Support HB 1019

The Pembina Gorge needs someone to love her, and develop her with a disciplined management program and that someone is ND Parks and Recreation. ND Parks and Recreation needs the infrastructure, tools and a home in the Pembina Gorge to continue to grow and develop in an environment visible to North Dakotans and visitors with year round family adventures. A home for education and interpretation. A home to develop and manage the wonders of the Pembina Gorge and Frost Fire Mountain has all the amenities to become that home, the "Pembina Gorge State Recreation Interpretive Center" therefore giving North Dakota a must visit destination.

SAVE THE DATES

GIANT PUMPKIN FESTIVAL

SEPTEMBER 28, 2013

Walhalla, North Dakota

2012 Winning Pumpkin weighed in at
1,063 Pounds

rown by Butch Bourbanis, Walhalla, ND. celebration of "fall" with pumpkin deserts and savory goodness. Helicopter rides experiencing the fall foliage of the Pembina Gorge. Trolley rides to and from the scenic overlooks. Biking, hiking and riding the trails at the Pembina Gorge Recreation State Park. Pumpkin Hunt in the Tetrault Woods State Forest.

"Save the Date" September 28, 2013

The largest pumpkins grown in North Dakota!



PEMBINA GORGE

The Pembina Gorge extends from the Canadian border west of Walhalla and encompasses one of the largest uninterrupted blocks of woodlands in North Dakota of approximately 12,500 acres and the longest segment of unaltered river valley in the state. Surging waters carved the Pembina Gorge out of soft marine shale's, creating one of the deepest and steepest river valleys in North Dakota. In this rugged and sheltered setting, an enormous swath of forest is nestled in transition zone where three different biogeographical provinces come together – boreal forest, eastern deciduous forest and central grassland. The Pembina Gorge is home to the most extensive oak woodland in the state. It also contains extensive wetland thicket with notable fauna density, the greatest development of birch woodlands, the least locally disturbed river system, the largest collective area and greatest association number of upland shrub lands. At least 65 different natural diversity features have been documented to be in the Pembina Gorge, including 30 plant species and 21 animal species, which are categorized as "rare" in the state. Recreation in the Pembina Gorge consists of canoeing, hiking, biking horseback riding, downhill ski and snowboard area, cross country skiing, snowmobiling, hunting, wildlife viewing, golfing and birding guaranteeing year round family entertainment.

DIG AND DISCOVER THE PEMBINA GORGE

August 19 through August 25, 2013

75-80 million-year-old fossils have recently been found in the Pembina Gorge. At least for Mosasours, along with sharks, fish vertebrae and fish scales were discovered and identified by Dr. John Loganason, Paleontologist with the ND Geographical Survey. Mosasours were the most fearsome predators, which dominated the Western interior Seaway during the Cretaceous Age. Excavation of the find will begin in researched. The North Dakota Geological Survey, North Dakota Parks and Recreation Department, and the City of Walhalla are hosting a dig August 19 through August 25, 2013. Details visit: North Dakota Geological Survey Paleontology www.dmr.nd.gov/ndfossil/digs/digs.asp or City of Walhalla www.walhalland.org.





PEMBINA RIVER TRAIL

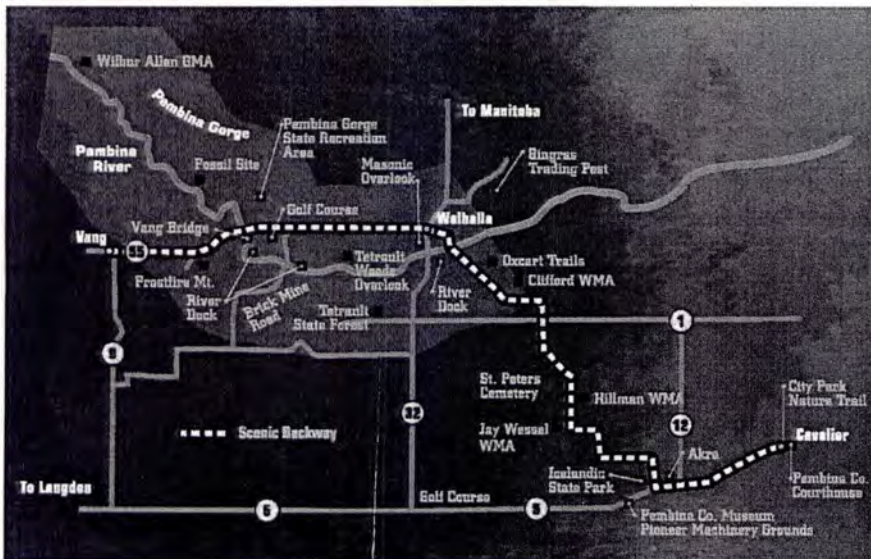
The Pembina River, located in the northeast corner of North Dakota, has the only white water found in the State. Upstream of Walhalla, paddlers may find Class I Rapids, despite the easy rating, the fast water and rivers bend of the Pembina River in the spring can be challenging compared to the water and bends of other North Dakota rivers. The Pembina River originates North of La Riviere, Manitoba, flows southeast and enters the United States northeast of Langdon, ND.

From the international border, it flows southeast to Walhalla and east to Neche and Pembina, finally emptying into the Red River of the North. The river valley winding through the hills is known as the Pembina Gorge. The Pembina Hills form a unique ecoregion, the Pembina Escarpment, within North Dakota and encompass one of the largest woodland blocks in the State of North Dakota.

The Pembina River meanders through the thickly wooded slopes, broad uplands, and isolated tranquility, which symbolizes North Dakota's Pembina River valley. It flows with a beauty and grace distinctly different than any other river in the state. The Pembina River's rocky bed offers mild white water experiences. The timbered hills of the river corridor not only provide a stately scenic backdrop for canoeists, but also host many unique flora and fauna, wildlife viewing, and bird watching. The area is rich in natural history and human history. The Pembina River valley is a well-kept secret, even from many North Dakotans. The valley is dotted with public lands and historic sites. Several museums herald the rich history. While canoeing might take only a day of an adventurer's time, there are many trails to hike, travel the Rendezvous Regions Scenic Backway and explore the other recreational opportunities in the area.

The City of Walhalla through ND Parks and Recreation Department matched a Recreation Trail Grant and installed three (3) floating docks along the Pembina River for canoe and kayak enthusiasts.

RENDEZVOUS REGION BACKWAY



The Rendezvous Region of Northeast North Dakota is a special place steeped in history, with natural resources, recreation, and scenic beauty and cultural. The cities of Pembina, Walhalla, Langdon and Cavalier are the anchor communities of the Rendezvous Region. Pembina and Cavalier County comprise the boundaries of the Rendezvous Region. Counties and communities have joined forces to bring a new focus on their corner of the state in order to promote one of the most unique areas in North Dakota.

The Rendezvous Region has all the components to provide ecological and recreational experiences unlike any other in North Dakota. It is unique to North Dakota as residents and visitors immerse themselves in an undisturbed natural area with a range of diversity that requires continued protection and management. The State of North Dakota continues to support tourism, the 3rd largest industry in North Dakota, and to maintain its associated benefits. It is important to ensure that residents and visitors are satisfied with the "Legendary Experiences" North Dakota provides. Since 1996 the State of North Dakota, through NDDOT has supported the Scenic Byway and Backway Program. With that support the Rendezvous Region Backway has continued to expand because of these efforts, developing scenic overlooks, signage, trail systems, camping and park services.

House Bill 1019
Senate Appropriations
Hearing, March 14, 2013, 10am

7

Chairman Holmberg and members of Senate Appropriations, I am Doug Prchal, resident of Bismarck, state park system advocate and park user.

While I support the ND Parks and Recreation Department Executive budget submittal I appear in opposition to the amended section 7 inserted by House Appropriations.

It frankly surprises me the amended item to purchase Frost Fire Ski Area was approved by House Appropriations. The floor vote, however, only passed by a narrow margin.

My reasoning for opposing section 7 is the state purchase of a private business and the liability a purchase like this poses to the existing park system. A ski area, restaurant and summer theater do not mesh with the mission of the state park system.

As I understand the proposal, these services will be contracted to private operators by the department. Why does the state need to own this property and business interest? Current owners could just as easily contract for deed or lease the operations. It appears perceived "deep pockets" of the state is a solution to retirement. Approving this purchase would set a dangerous precedent, encouraging other business interests wishing to retire.

All the risk in this venture rests with the state. The contracted operators will provide the services and rightly take the revenue for service less a contract fee. These are seasonal services so margins are very narrow along with the impacts of seasonal weather. Capital repairs and replacement will not fall on vendors, rather the state. The state risks losing operators if fees are too large or additional capital obligations are placed on them.

A Visitor Center in one of the buildings has been discussed but history indicates Visitor Centers do not generate substantive revenue. Contrary to what may be stated about the revenue prospects of this purchase, there will not be much revenue going into the parks revenue fund from this site. There will, however, be significant expenses.

Pursuing this purchase is not prudent for the ND taxpayer nor is it prudent for the state park system. The addition and operation expenses of this proposed property pose unknown liabilities. This proposal is a hastily advanced initiative that I fear will be at the expense of the existing park system.

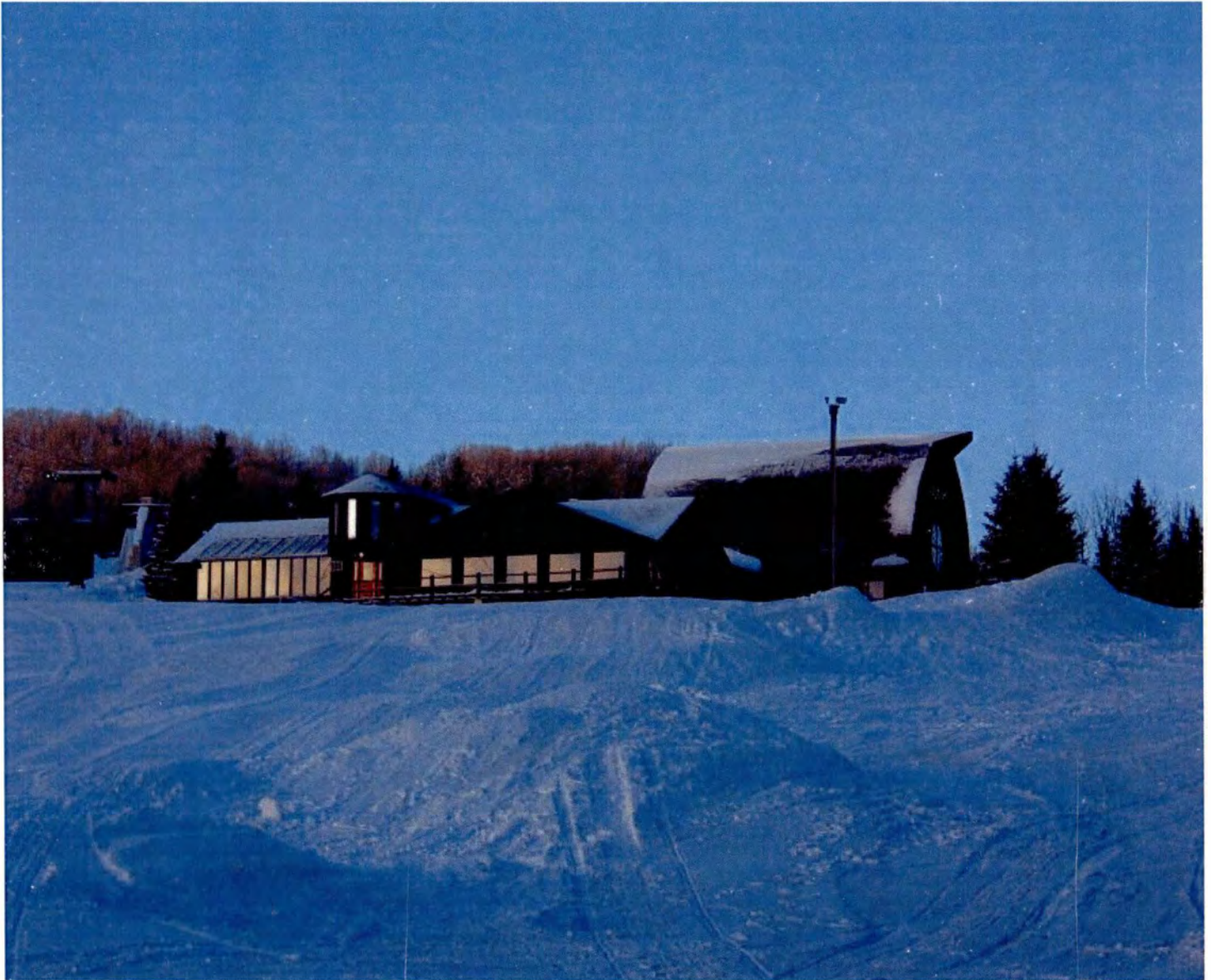
For the sake of the North Dakota taxpayers, park users and existing state park system I ask Senate appropriations to remove section 7 from funding consideration in HB1019.

Respectfully, Doug Prchal.

HB 1019

17

Frost Fire Mountain
Pembina Gorge State Recreation Area
and Interpretive Center



2013
Building Assessment
Environmental Site Assessment
Appraisal

This Building Assessment, Environmental Site Assessment and Appraisal was funded by the Cavalier County JDA, Pembina County JDA and administered by the City of Walhalla.

This project began several years ago through proactive economic development strategies in the region to continue the efforts and secure the future of many businesses through the development of tourism. Economic Developers understand that a formal business transition plan puts the goals, priorities and strategies in place for a successful exit and transition for both the owners and communities. Without a clearly defined plan, business owners can leave a regions financial future at risk.

Therefore, developers especially in a rural area work very closely with business owners on transition plans especially when a family succession plan is not an option and where the business plays a major role in the overall growth and future of the region and state.

This is the case with Frost Fire Mountain, there is no family succession plan, and Frost Fire being located in the heart of the Pembina River Gorge has been an anchor and key draw to the tourism industry in the Rendezvous Region. The entire region has taken advantage of the traffic Frost Fire provides by developing and expanding attractions and services throughout the area.

Business owners, county and city officials know that if Frost Fire Mountain is sold to a private party, there is no guarantee that it will continue as a recreation tourism attraction, and

continue to develop Frost Fire to meet the needs of the growing number visitors to the area, thus impacting every rural community in its path. Business owners, county and city officials also know that there are many people in the Valley that would love Frost Fire and could write a check to make Frost Fire their family home with a great backyard, and deer stands on every corner or another Bar and Grill. If this should ever happen, the years and money spent on developing and promoting the area would be a “natural disaster” with no hopes of clean up.

The Pembina Gorge needs someone to love her, and develop her with a disciplined management program and that someone is ND Parks and Recreation. ND Parks and Recreation needs the infrastructure, tools and a home in the Pembina Gorge to continue to grow and develop in an environment visible to North Dakotan’s and visitors with year round family adventures. A home for education and interpretation. A home to develop and manage the wonders of the Pembina Gorge and Frost Fire Mountain has all the amenities to become that home, the “Pembina Gorge State Recreation Interpretive Center” therefore giving North Dakota a must see destination.

An added advantage is that the business sectors of Frost Fire will be leased to entrepreneurs therefore, directly supporting the fixed expenses of the proposed “Pembina Gorge State Recreation Interpretive Center”.

Executive Summary

This document includes the Building Assessments, Environmental Assessment and Appraisal, for Frost Fire Pembina River Gorge Ski & Snow Board Area and Summer Theatre.

Frostfire Pembina River Gorge Ski & Snow Board Area and Summer Theatre is for sale.

The Building Assessments, Environmental Assessment and Appraisal, were paid for by the Pembina County Job Development Authority (\$15,300.00) and the Cavalier County Job Development Authority (\$15,000.00). Kathy Stremick, Director City of Walhalla Economic Development coordinated the efforts for the project.

Tourism has been identified as one of the largest and fastest growing industries in the world. In particular, nature-based ecotourism has been singled out as an important component of the tourism industry and has experienced significant growth. Ecotourism is nature based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable.

Nature-based and ecotourism attractions provide substantial economic gains, retail, and service related businesses in and around host communities. To sustain the growth of tourism and maintain its associated benefits, it is important to ensure that residents and visitors are satisfied with the experiences provided. Natural attractions are widely regarded as key draw card for international visitors. Nature-based and ecotourism comprises a number of outdoor activities undertaken by tourists in the natural environment. It ranges from high impact adventure activities such as skiing, snowboarding, and snowmobiling, four (4) wheeling, cross-country skiing, adventure racing and biking, to more relaxing activities such as hiking, bird watching wildlife viewing, photography, stargazing, camping, hiking, hunting, fishing, horseback riding, scenic tours, along with cultural, and historical experiences, and visiting parks. Canoeing and kayaking offer a more personal way to connect with nature. The quiet of being out on the water allows paddlers to experience a closer view of wildlife and scenery.

The Rendezvous Region in the NE corner of North Dakota has all the components to provide ecological and recreational experiences unlike any other in North Dakota. It is unique to North Dakota as residents and visitors immerse themselves in an undisturbed natural area with a range of diversity that requires continued protection and management.

The State of North Dakota continues to support tourism, the 3rd largest industry in North Dakota, and maintain its associated benefits. It is important to ensure that residents and visitors are satisfied with the “Legendary Experiences” North Dakota provides.

Since 1996 the State of North Dakota, through NDDOT has supported the Scenic Byway and Backway Program. With that support the Rendezvous Region Backway has continued to expand because of those efforts, developing scenic overlooks, signage, camping and park services, along with the other ten (10) byways that circle the state.

In 2005 the State of ND, through NDDOT, continued to support the Rendezvous Region with the Master Plan for Trail Development in the Turtle Mountain and Pembina Gorge Areas. Because of this Master Plan, the State of ND, through the ND Parks and Recreation Department, has hired an onsite manager to oversee the development and management of the Pembina Gorge State Recreation Area. The headquarters for the operation is located in Walhalla at the ND Forest Service Field Office. The trailhead for the Pembina Gorge State Recreation Area is located 7 miles west of Walhalla.

The Pembina Gorge State Recreation Area is being developed in a way new to the state of North Dakota. The North Dakota Parks and Recreation Department has developed a multiuse trail system to accommodate the three classes of Off-Highway Vehicles (OHVs): dirt bikes, four wheelers, and side by sides. While designed for the use of OHVs it is also open to hikers, mountain bikers, horseback riders and birders. It accommodates OHVs up to 60 inches wide. The trail currently consists of a 24 mile looped network of trails. More traditional, non-motorized trail opportunities are in the works for 2013. Also included in the Pembina Gorge State Recreation Area is the Tetrault Woods State Forest, located south and west of Walhalla. The NDPRD has assumed management of the recreational aspect of the forest due to the trail aspects and on-site management. Thus far, the NDPRD has completed trail enhancements which included a floating bridge across a beaver pond and trail repairs to provide an unforgettable walk through the woods

The City of Walhalla recently completed some beautiful scenic overlooks along the Rendezvous Region Backway showcasing the Pembina River Gorge. In addition to the ecotourism development in the area, there is also plenty of North Dakota history on display at the Gingras Trading Post, the Kittson Trading Post, Icelandic State Park, Pioneer Heritage Center, Gunlogson Homestead and Nature Preserve, and the Pembina State Museum.

As we look to the continued development of the Pembina Gorge State Recreation Area an adequate and appropriate management regime needs to be developed and closely monitored. The ND Parks and Recreation Department is already ensuring that the natural areas used for ecotourism remain in a conserved natural state for future generations to enjoy. But, they need the infrastructure and tools to continue to grow and develop in an environment visible to the general public to provide a year round family adventure.

To date the State of North Dakota has invested \$430,000.00 in appropriated funds and an additional \$410,000.00 has been received from the Recreational Trails Program through the Federal Highway Department in the Pembina Gorge State Recreation Area for development of trails. It is imperative that development continues in ways that foster support for the protection and sensitive use of the Pembina River Gorge, a North Dakota treasured resource. Frost Fire Ski & Snow Board Area and Summer Theatre is located in the heart of the Pembina River Gorge and has been an anchor and key draw to the Rendezvous Region. The entire region has taken advantage of the traffic Frost Fire provides by developing and expanding attractions throughout the area. Frost Fire would provide the facilities for a great interpretive center of the Pembina River Gorge and the Pembina Gorge State Recreation Area, providing ND Park and Recreation Department a home to expand in NE North Dakota where tourism is a legendary

journey steeped in history, with natural resources, scenic beauty, cultural, and recreation, enhanced through nature-based ecotourism.

It is our plan that the State of ND purchase Frost Fire Ski & Snow Board Area and Summer Theatre, for the appraised value of \$1,179,000.00, plus an additional \$50,000.00 for start up. It will be managed by the ND Parks and Recreation Department as an interpretive center for the Pembina Gorge State Recreation Area to deliver memorable experiences that engage the senses, tap the intellect, and enhance the understanding of the importance of protecting and sharing our natural resource and cultural heritage so it may be preserved and enjoyed for future generations

Entrepreneurship Opportunities

The Pembina Gorge State Recreation Area Interpretive Center will lease to entrepreneurs the Ski and Snow Board Area, Summer Theatre and Dining/Food retaining thus creating employment in the region. Leasing the vending operation will ensure the State of ND, and the ND Park and Recreation Department adequate income to support the day to day operations of the facility, utilities, general maintenance, and upgrades, Frost Fire's financial history supports this claim.

Other potential Entrepreneurship Opportunities

Bike Rental, Canoe and Kayak Rental, ATV Rental, Snowmobile Rental and Repair Shop.
Tour Operators, Host Conferences etc.
Local Artist would have the opportunity to continue the operation of the current gift shop,

Having ownership of Frost Fire gives the Red River Valley, and North Dakota's tourism industry, the guarantee that Frost Fire will always be a key component in developing ecotourism for North Dakota. The increased traffic provides an economic impact not only to the Rendezvous Region, which includes Iceland State Park, Pembina State Museum, ND State Historical Society site, but for rural communities that travelers pass through making their way to the Pembina River Gorge State Recreation Area, Interpretive Center.

The Rendezvous Region has seen a pattern of visitors that has increased over the past ten (10) years. They are either coming from Medora or traveling to Medora via the Scenic Byways. What an effective way of creating new wealth and economic growth across the state, by moving money into the rural communities along the ND Scenic Byways offering visitors a Legendary Experience. We need to take advantage of these visitors and give them **one of the premier family destinations in the country**, the Pembina Gorge State Recreation Area, in the Heart of the Rendezvous Region.

Medora offers the entire family spectacular scenery and dozens of indoor and outdoor activities to make their visit a modern "Old West" experience that they will never forget.

Now let's expand their Legendary Experience with a unique journey across our great state to an adventure of nature.

FROST FIRE SKI and SNOWBOARD AREA

www.frostfireskiarea.com

Frost Fire is located about 7 west of the city of Walhalla in the Pembina Gorge Region of northeastern North Dakota. The Frost Fire property of approximately 172 acres contains 10 ski runs and two chair lifts; a double and a triple lift. The vertical drop on the site is 350 feet. There is a lodge building that provides food and beverage. There is a ski and snow board rental shop and lounge space on two levels. There is a ski school available for beginners. The facility employs a full contingent of Ski Patrols for skiers' safety. The site also includes a tubing area. The facility is able to make snow and is therefore open for the winter season beginning in late November or early December and extending through March.





View from the Ski Lift



Lodge Building



Ski Storage at the Lodge



Ski Lessons

FROST FIRE THEATER

www.frostfiretheatre.com

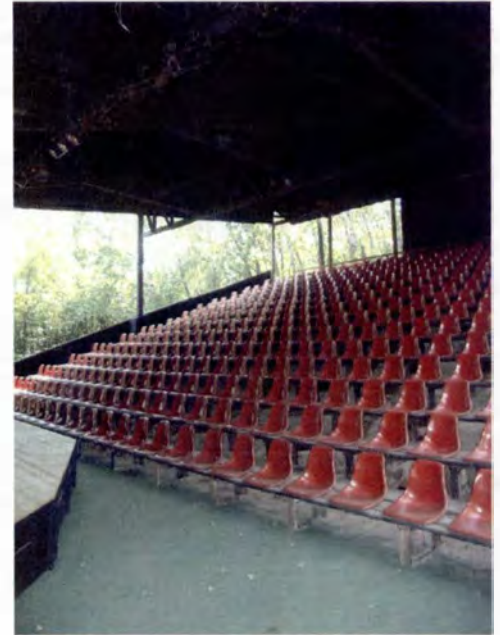
Frost Fire also offers a summer theater experience. The site has a covered amphitheater where productions are offered about 6 weekends during the summer July into August. The Amphitheatre has approximately 400 seats. The productions are musicals put on by the regions' actors and musicians. The venue also offers a limited dining experience prior to the theatre production. The local artisans and crafters offer gifts and art to the theater patrons.



BUILDING ASSESSMENT

Amphitheater

The amphitheater facility was built in 1988. The facility includes a stage with a small back stage area, a small lighting/sound control building and a sloped seating space covered with a large steel truss roof. The facility can seat approximately 400 people in rows of molded plastic chairs that are attached to a wood and metal bleacher structure. The aisles on the sides of the theater are constructed of wooden steps with a wood half wall running the perimeter. This wall has some bowing and deterioration. The stage and back stage are wood framed. The entire facility has a metal roof and there are canvas rolled tarps that can be lowered to enclose the sides. There is electrical service to the stage area and the sound/lighting enclosure at the back of the theater. The facility is in good condition overall.



View from back to stage



Side aisle with half wall



View from stage

BUILDING ASSESSMENT

Amphitheater



View of the Seating

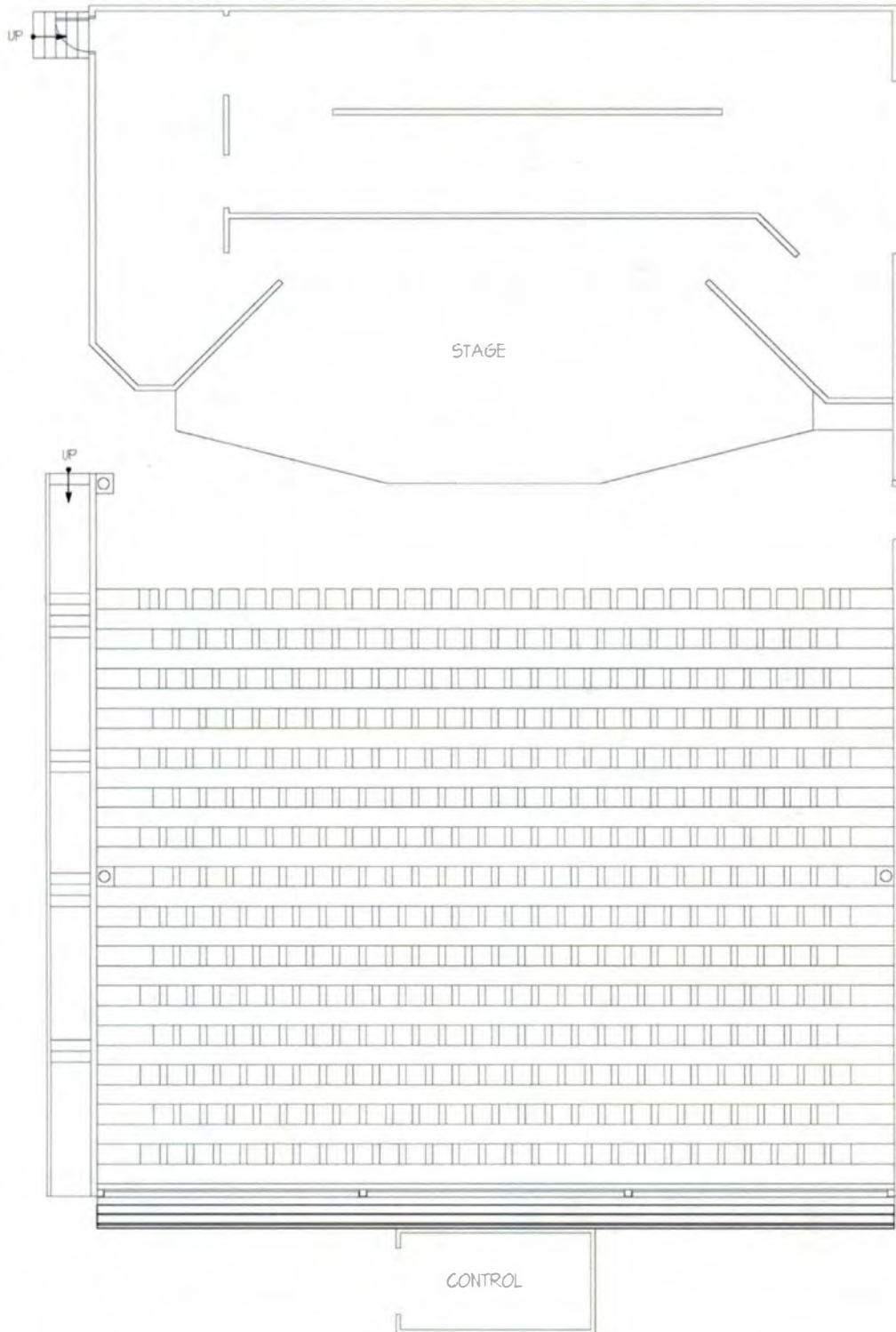


Production



View of the Stage with a set

Amphitheater



BUILDING ASSESSMENT

Hattie's Gift Shop



Hattie's Gift Shop is an old farmhouse, built in 1928, that was moved on site in 1989. It was a fine house in its day. The building was placed on a block foundation/open crawl space. This building is only used in the summer time as a gift shop/concession space by local artists. The house is two stories and is approximately 1,603 square feet.

The house is wood framed with wood siding and an asphalt shingle roof. The roof was replaced in 2009. The windows are original and in poor condition. There are several windows that are totally rotted away in the corners. Several of the windows have leaded glass panes. The exterior needs to be re-painted. The front porch needs some repair as the ends of the porch board are deteriorating and the column supports need to be replaced.



Original windows

BUILDING ASSESSMENT

The interior original woodwork and wood stair with its ornate railing and balustrade is intact. The raised decorative wainscot is still evident in the stairwell. The floors are wood. The upper floors have the original linoleum "rugs" in each of the bedrooms. The interior wall finish is plaster. The plaster has severe damage from water penetration and as a result of being subjected to extreme temperature swings.



Central Stair railing



Detail of wall panels at stairway

The building has no heating system. The original brick chimney was removed when the house was moved on site. There is a minimal electrical system. The house does not have any kind of plumbing system.

BUILDING ASSESSMENT

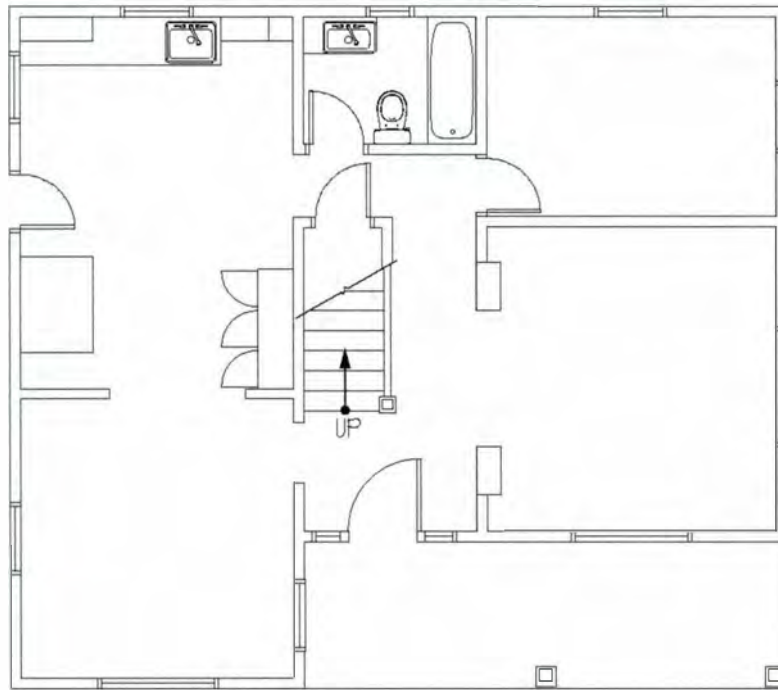
Carriage House



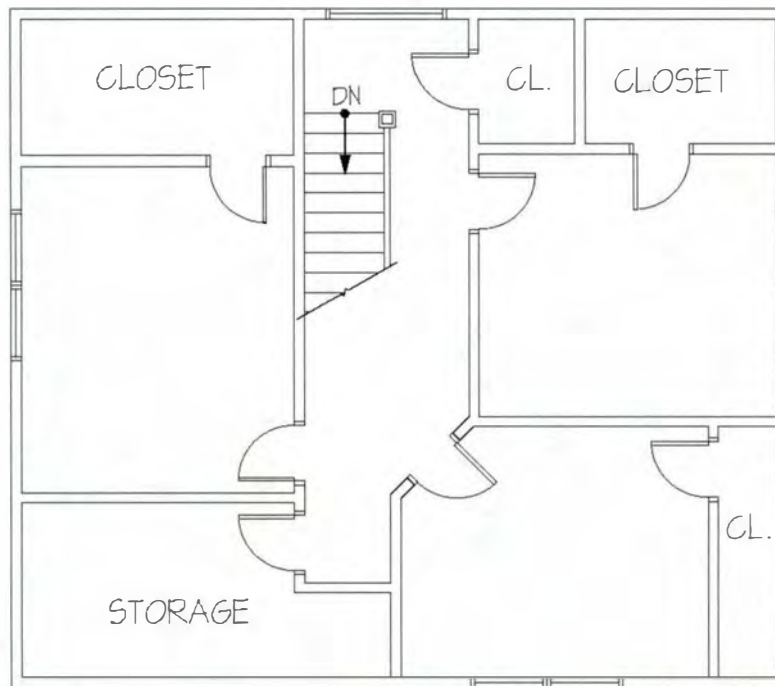
Adjacent to Hattie's gift Shop is an old carriage house structure. This structure is in poor condition and it has been determined that it will be torn down and removed from the site pending the sale of the property.

BUILDING ASSESSMENT

Hattie's Gift Shop



Main Level (Approx. Sq. Ft. = 740)



Second Level (Approx. Sq. Ft. = 863)

BUILDING ASSESSMENT

Dorm



The building called the Dorm was also moved onto the property.

This building was originally a school in Olga, ND. It was moved to Walhalla and served as a convent for the Catholic Church in Walhalla until 1995 when it was moved to Frost Fire. The building is two stories plus the basement level. The building is approximately 3,150 square feet.

The building has a central stair accessing all levels. It appears that two of the four upper level classrooms were divided into small bedrooms at some time, perhaps when it became a convent. There is evidence of the building having a front and back porch or entry structure at some previous time. The building is now used as a dormitory/housing facility for the ski and theater venues on site on a limited basis. The building has a large living room on the main floor and the remainder of the building is divided into sleeping quarters with communal toilet/shower facilities. There are plans for future expansion over the years.



Living room



Typical bedroom

BUILDING ASSESSMENT

The building was moved onto a basement structure. The basement has a concrete slab and wood foundation walls. The exterior foundation walls have treated wood sheathing. There is no evidence of waterproofing. The building is wood framed with a gable roof. The roof is a standing seam metal system. The original interior double hung windows are still intact and are in fair condition. Metal storm windows were installed at some time and they are in good condition. The windows are in fair condition. The exterior has wood siding that is in fair condition, no evidence of rotting or decay, however, most of the exterior paint is gone. The exterior doors are in poor condition with cracks and gaps. There is a newer hollow metal door that was installed on the second floor that accesses a fire escape.



Fire escape



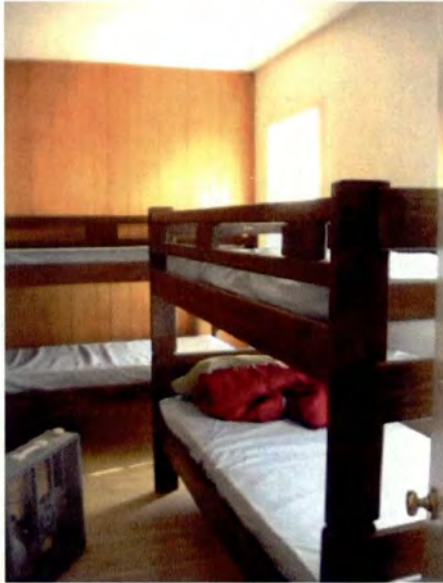
Back of Dorm – back entry structure removed



Second floor – fire escape door

BUILDING ASSESSMENT

The original walls were plaster and the subsequent remodeling to create smaller bedrooms is constructed of wood studs and drywall with simple ranch casings. There is some wood paneling on some of the walls. The original floors are wood and they remain wood. The toilet rooms on the main and upper floors have sheet vinyl flooring in poor condition. The ceilings are all painted plaster ceilings. There are minor cracks in the ceilings.



Bedroom – panel wall



Bedroom

The lower level has two larger bathrooms with 4 shower stalls each and a toilet and lavatories with a vanity counter top. These rooms are in good condition. The floors are concrete. There is a small kitchen in the lower level that has a sink, microwave, pizza oven and small refrigerator. The remainder of the basement is storage and the mechanical room.



Lower level bathroom



Shower



Lower level kitchen

The upper floors have a toilet room on each floor. These appear to be original and are in fair to poor condition.

BUILDING ASSESSMENT

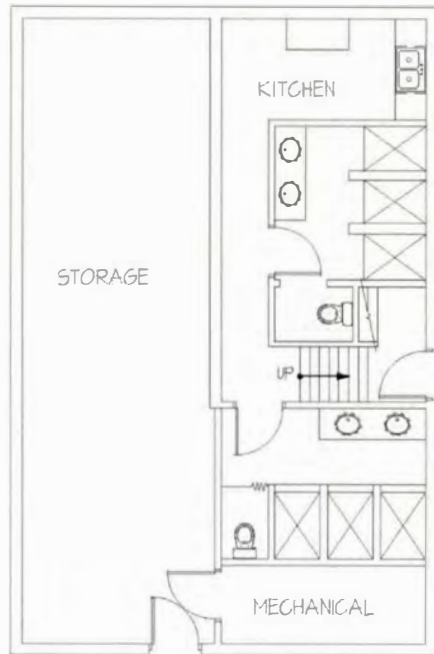
The building is heated with a small electric boiler that supplies hot water to base board radiation throughout the building. There is an electric water heater in the basement also. There is a window air conditioner in the living room.

The building also has a wired fire alarm system throughout.

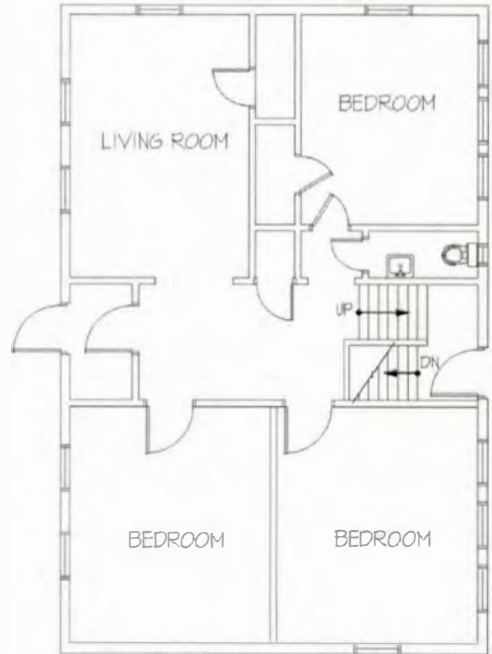


BUILDING ASSESSMENT

Dorm



Basement
(Approx. Sq. Ft. = 1,050)



Main Level
(Approx. Sq. Ft. = 1,050)



Second Level
(Approx. Sq. Ft. = 1,050)

BUILDING ASSESSMENT

Pump House



Pump House

The pump house is at the bottom of the ski runs. This structure is wood framed with a gable roof. The roof has asphalt shingles in fair condition. There is a single door. The interior has wood plywood sheathing that is painted. The building houses the pump that pumps water from the river. The water is used for making snow for the ski hills. There is a large electrical service that supplies the power to the pump. This building and equipment are in good condition.



Pump



Electrical Service

BUILDING ASSESSMENT

Shop



Exterior

The shop is a metal building built in 1981-1982. It has a concrete floor and is an insulated metal panel structure. There are two large door openings, a 20 foot wide overhead door and a large sliding door opening on the end. There is also a pedestrian door. There is a 4 foot deep concrete pit in the middle of the space with a steel grate over the top. This is used to access the underside of equipment to change oil or make repairs.

The building is heated with a small propane furnace and an electric unit heater hanging high on the wall near the work bench. This building is in good condition.



Exterior – sliding barn doors



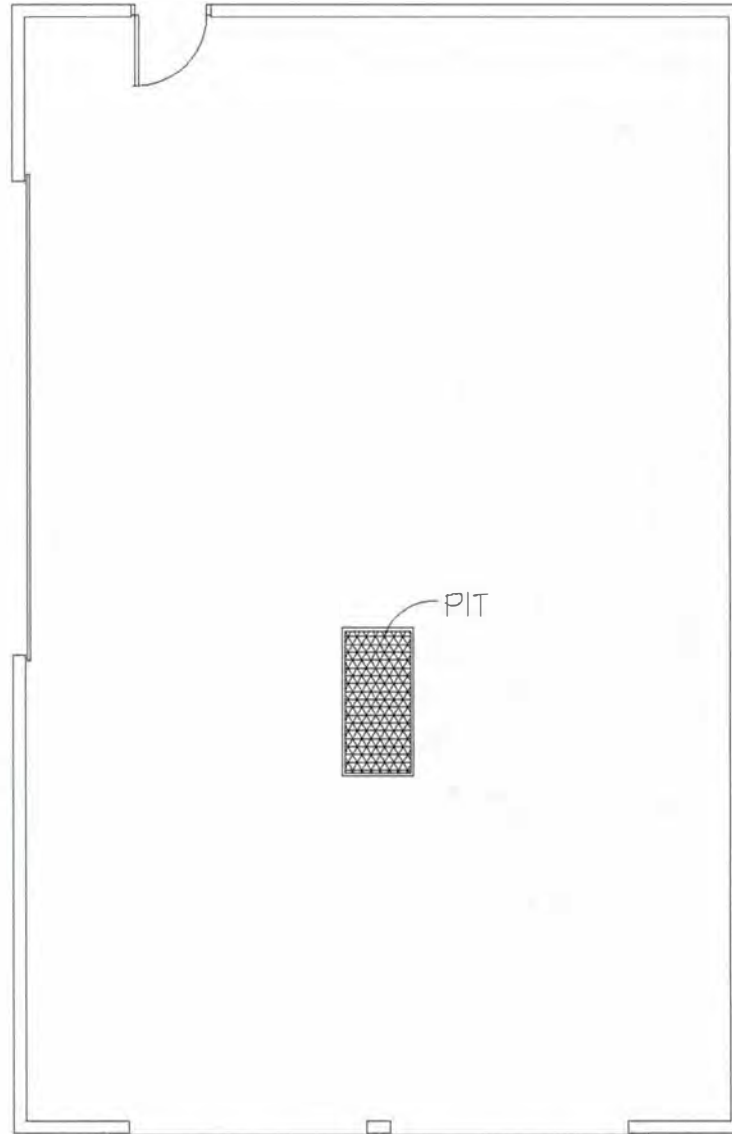
Pit inside shop



Interior – sliding barn doors

BUILDING ASSESSMENT

Shop



(Approx. Sq. Ft. = 1,385)

BUILDING ASSESSMENT

Lodge Building



The main building on the Frost Fire property is the Lodge Building. This building has two construction episodes, the original log structure was built in 1975-1976 and the addition was added in 1985. The original building is two stories with the main floor and a walkout lower level. The addition has three stories, the main level, basement and a small upper level loft area. The building is approximately 5120 square feet on two floors, plus the 330 square foot loft. The lodge building houses the ski/boot storage and rental facilities, a small pub area, restrooms and locker rooms and storage on the lower level. The main floor has two very large gathering/lounge areas, the kitchen and a large office space. The small loft area is a private space used by the owners. It has a small bath with a shower.



Main Floor Lounge Space



View from the parking area



BUILDING ASSESSMENT



Main Floor Lounge Space



Detail of the Log structure

This building is in good to excellent condition. There were no structural issues observed with this building. The log structure is in excellent condition. The 1985 addition is wood frame and also in excellent condition. There are interior structural wood columns and the floor structure consists of 2 X 12 rafters 12 inches on center. The basement space under the original building has concrete masonry walls. The 1985 lower level was constructed with 2 X 8 wood foundation walls.

The large windows throughout were all replaced in approximately 2009 and are in excellent condition. The roof has a metal panel system in excellent condition. The exterior walls have an opaque stain in good condition. Three sides of the building have a wood framed exterior deck and railing structure. The deck is in fair condition with areas of deterioration showing in the ends of some of the deck boards and in the railings. Repairs will be required to the deck within the next few years.



Main Floor Fireplace

BUILDING ASSESSMENT

The interior finishes in the lower level include concrete floors and sheet vinyl flooring in the restrooms. The walls are either painted or varnished wood board. The ceiling is a decorative wood panel system or there is no ceiling. The main floor is primarily varnished wood floor, walls and ceilings with the exception of the kitchen which has a vinyl tile floor and painted wall finishes. The interior finishes are in excellent to fair condition. The flooring in the restrooms and the kitchen are in fair condition with some cracking and deterioration.



Lower Level Rental Area



Lower Level Lounge Space

The kitchen is a commercial kitchen with commercial appliances and stainless steel countertops. There is a stainless steel hood with an Ansul fire extinguishing system.

Kitchen Equipment:

- Six burner commercial range
- Warming oven
- Small oven
- 3 compartment sink
- Under-counter commercial dishwasher
- Reach-in freezer and cooler

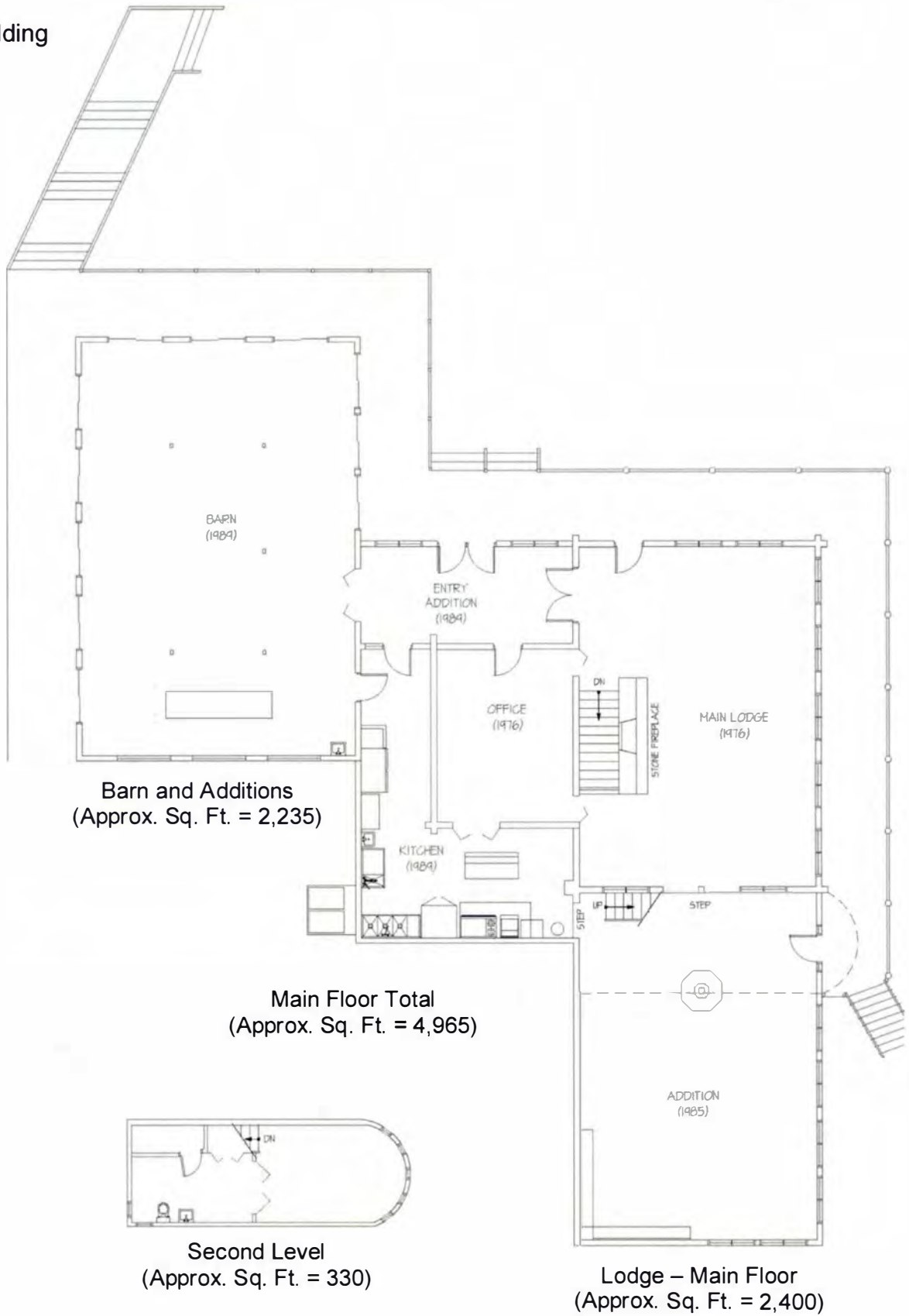


The building is heated with electric forced air furnaces. There are 6 -200 amp panels in the building supporting the electric loads including the kitchen equipment and the electric furnaces. Outlets are minimal. Light fixtures are simple and most often surface mounted. There are several locations where light fixtures were wired for but no fixture was installed. The building has numerous battery operated smoke detectors throughout.

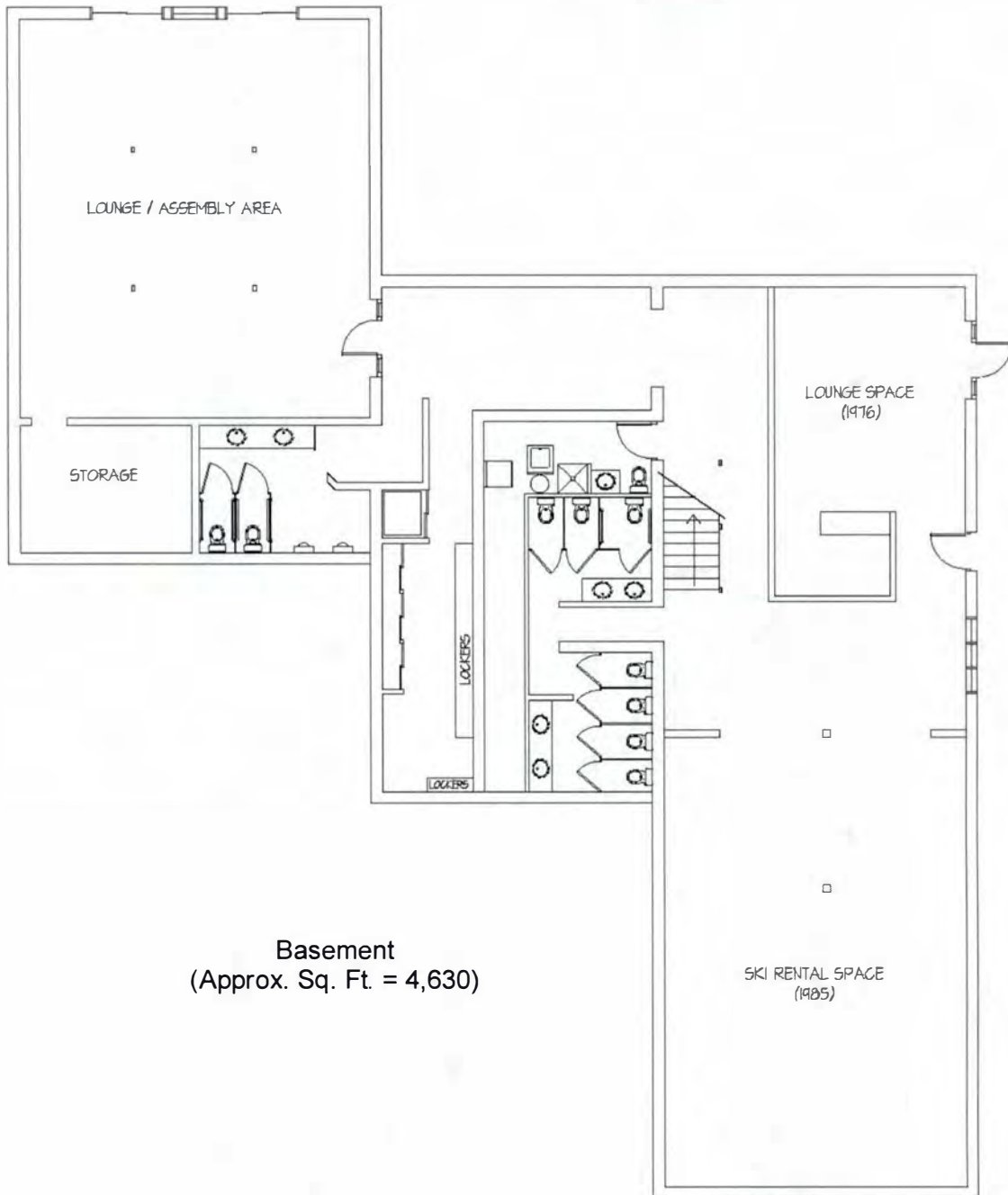


BUILDING ASSESSMENT

Lodge Building



BUILDING ASSESSMENT



Basement
(Approx. Sq. Ft. = 4,630)

BUILDING ASSESSMENT

Barn and Addition



The Barn was moved on site in 1989. This structure is attached to the main lodge building with an entry corridor along the north side of the Lodge. The barn houses the dining room on the main floor and another large gathering space, storage and restroom on the lower level. The barn has an upper loft area but it is only accessible through a ceiling hatch. There are some plans that would make use of this space in the future but they have not been implemented. When the barn was moved in, there was also an addition added to the main lodge that expanded the kitchen. The barn and adjacent additions is 4140 square feet.



Addition link to barn



Barn main floor



Compressor for cooler / freezer

BUILDING ASSESSMENT

The barn sits on a wood framed foundation. The exterior wall is constructed on 2 X 8 wood studs with treated exterior sheathing. This wall is insulated with fiberglass batt insulation. There is some evidence of exterior pressure that is causing the separation of the wood studs from the main floor sill plate. There is also evidence of water penetration on the south side with wet carpet and water damage to the walls and doors in the locker room area.

The floor is structured with 2 X 12 rafters 12 inches on center. The structure is in good condition.



The exterior walls of the barn is stained wood siding in good condition. There are a number of sliding glass doors both in the lower level and the main floor. The main floor doors access the wood deck system that surrounds the building. The siding and glass doors and windows are in good condition.



Barn addition

BUILDING ASSESSMENT

The interior of the spaces are varnished tongue and groove wood walls and ceilings. The floors have a low pile carpet. The interior finishes of these large spaces are in good condition. The restrooms have sheet vinyl flooring and fiberglass wall panels. Countertops are plastic laminate with porcelain sinks set into the tops. The restrooms are in good condition, with minor cracks in the flooring and chips on the counter tops.



Restrooms - Women's



Men's Restroom

The building is heated with electric forced air furnaces.





1128 Westrac Drive
Fargo, ND 58103
Tel: 701.271.6779
Fax: 701.271.4796

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**FROST FIRE SKI RESORT AND THEATRE
11950 County Road 55
Walhalla, North Dakota**

Frost Fire is located at 11950 County Road 55, 7 miles west of Walhalla, North Dakota

The legal description including the Parcel Number as provided by the Cavalier County Assessor's office is as follows:

- 30227000, That part of SW4NE4 Lying S of Hwy 55 (less 23.8 acres enrolled in NWL Parcel 30227010. 1.2 acres.
- 30227010, Native Woodlands (Contract 155) That part of SW4NE4 Lying S of Hwy 55 (23.8 Woodland Acres).
- 30229000, SW4SE4 (Less 40 Acres Enrolled in NWL Parcel 30229010).
- 30229010, Native Woodlands (Contract 155) SW4SE4 (40 Woodland Acres).
- 30233000, Point of NE4SE4 Lying W of Twp. Rd Crossing Land In N-S Direction (Less 14.3 Acres Enrolled in NWL Parcel 30233010) 5.7 Acres.
- 30233010, Native Woodlands (Contract 155) Point of NE4SE4 Lying W of Twp. Rd Crossing Land in N-S Direction (14.3 Woodland Acres).
- 30236003, Tract of Land In NE4SW4. 1.0 Acres.
- 30237000, NW4SE4 Less Rd (Less 21.4 Acres Enrolled in NWL Parcel 31237010). 18.6 Acres.
- 30237010, Native Woodlands (Contract 155) NW4SE4 Less Rd (21.4 Woodland Acres).

The following properties are in Mr. Jay R. Johnson's name, son of Richard and Judith Johnson:

- 30236001, Point of NE4SW4 Plus Portion of S of Hwy 55 in NW4 (Less 27.6 Acres Enrolled in NWL Parcel 30236011). 5.15 Acres.
- 30236011, Native Woodlands (Contract 164) Point of NE4SW4 Plus Portion S of Hwy 55 in NW4 (27.6 Woodland Acres).

The estimated total number of acres is 158.75.

The site is in North Olga Township: mostly in the SE quarter of Section 30, Township 163N, Range 57W, of the Fifth Principal Meridian, situate in the County of Cavalier and the State of North Dakota.

**YHR Partners
420 Main Avenue, Moorhead, Minnesota 56560**

LEGEND NO. 1203843 Issued : October 30, 2012

Submitted By: LEGEND TECHNICAL SERVICES, INC.
Minnesota Operations: 88 Empire Drive, St Paul, MN 55103, 651-642-1150
North Dakota Operations: 1128 Westrac Drive, Fargo, ND 58103, 701-271-6779
Wisconsin Operations: 1324 W Clairemont Ave. Suite #12, Eau Claire, WI 54701,
715-955-4839
Arizona Operations: 17631 N. 25th Avenue, Phoenix, AZ 85023, 602-942-8220

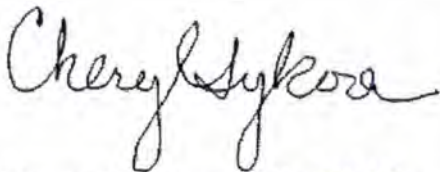
**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**FROST FIRE SKI RESORT AND THEATRE
11950 County Road 55,
Walhalla, North Dakota**

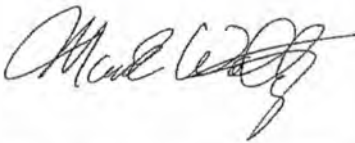
LEGEND NO. 1203843

Issued:

October 30, 2012



**Cheryl Sykora, CIH, CHMM, CSP
Report Review & Owner**



**Mark Waltz
Environmental Scientist, Report Preparer
Fargo Office Manager**

Investigation and Report Conducted and Prepared by:

**LEGEND TECHNICAL SERVICES, INC.
Mr. Mark Waltz
1128 Westrac Drive
FARGO, ND 58103
701-271-6779 FAX: 701-271-4796**

EXECUTIVE SUMMARY

LEGEND was retained by YHR Partners of Moorhead, Minnesota to perform a Phase I with an Asbestos and Lead Paint survey - Environmental Site Assessment (ESA) of the property identified as Frost Fire Ski Resort and Theatre located at 11950 County Road 55 Walhalla, North Dakota. The Frost Fire Ski Resort and Theatre provide winter downhill skiing, snowboarding and tubing during the winter months with theatre and musicals during the summer.

The Subject Property/Site is a developed ~158.75 acre parcel which is located in approximately 7 miles west of Walhalla, ND. The portions of the site that involve the skiing operation are zoned Commercial and the undeveloped woodlands are zoned Ag. The site has seven main buildings on the site; main lodge, barn/cafeteria, Hatties's Gift shop, carriage House, Dormitory, Shop, and the Theatre. The first building was the lodge in 1976 with several buildings moved in; the barn/cafeteria, Carriage House, Hatties's Gift Shop, and the dormitory. The theatre and the shop were built on site. The Frost Fire Ski Resort is surrounded by a hills, native woodlands, and agricultural fields.

The property is surrounded by woodlands or agricultural farmland to the west, east, north and south. To the north is County Road 55 and across the road is the former Clarence Runfold and later Gendreau family small farm. The farm is vacant and is surrounded by a hay field or woodlands. To the south are hills and woodlands. To the east are hills and woodlands and a grass meadow owned by the Vern Bennett family. To the west are hills and woodlands with a Gornowicz family cultivated farm field. Also to the east is the Gary Romfo farm that is rented out.

Frost Fire is on the west side of the Pembina Gorge and utilizes the slope for downhill ski runs.

The Frost Fire Ski Resort operational area is zoned Commercial and is a permitted use. The adjacent undeveloped woodlands are zoned Ag and are a permitted use.

Cavalier County has not been platted by FEMA except for the City of Langdon and therefore Frost Fire does not have a FEMA Floodplain map or designation.

Access to Frost Fire is by the gravel township road, County Road 55 from Walhalla approximately 7 miles to the east. A short gravel road from County Road 55 leads to the Frost Fire lodge and parking lots.

Findings and Conclusions

The following Table summarizes the findings of significant elements of this investigation.

PARAMETER	ACCEPTABLE	REQUIRES ATTENTION	ADDITIONAL SITE EVALUATION RECOMENDED	SECTION REFERENCE
Historical Review	Yes			
Site Operations	No	Shop vehicle service pit	Excavate or soil borings	5.4
Adjacent Properties	Yes			
Hazardous Materials	No	Spilled vehicle waste oil	Excavate or soil boring	5.4
Solid Waste	Yes			
PCBs	Yes			
Asbestos	Yes/No	Only if disturbed	Completed	5.8 and Appendix 8
Storage Tanks	No	Leaking fuel hose	Excavate or soil boring	5.7
Solid Waste	Yes			

The fuel ASTs are sitting on the ground without a membrane beneath them or a berm to contain a leak or spill.

Recommendations

Based on a review of historical and current site uses, and state and federal environmental regulatory data bases for the subject property/Site; three Recognized Environmental Concerns (RECs) were noted for the property:

1. The shop has a below ground service pit accessed from the surface by a ladder. The pit has concrete walls and a dirt floor covered with wood. LEGEND observed standing water in the pit with petroleum products floating on the water and staining on the shop floor and pit walls. The pit is used to change oil on the various vehicles and equipment required to operate a ski resort. Reportedly, the service pit has been in operation approximately two years.
2. Vehicle waste oil is stored in an old metal bushel basket outside the shop. The bushel basket has an open top and is exposed to rain. The container was full to the top and running over. The adjacent ground was stained black. The owner stated they have a firm come by and empty the bushel basket as needed.
3. The one thousand gallon above ground storage tank (AST) for diesel fuel has a discharge hose with a coupling that is leaking diesel fuel into the ground. The diesel fuel stain on the ground is approximately two feet in diameter.

LEGEND recommends excavating the stained waste oil soil and the diesel fuel stained soil. The quantity of soil to be removed should be approximately 3 to 6 cubic yards. The service pit is located inside the shop and a small backhoe could attempt to excavate the soil from the bottom of the pit. After the excavations have been completed the remaining soil should be tested for gasoline range organics (GRO), diesel range organics (DRO), Volatile Organic Hydrocarbons (VOCs), and the EPA RCRA 8 metals. If any of the three locations cannot be excavated to clean levels as determined by the North Dakota Department of Health (NDDH), the NDDH should be notified and soil borings conducted to determine the extent laterally and vertically of the contamination. LEGEND contacted the nearest sanitary landfill at Grand Forks, ND and they can accept the soil if it is tested and meets their waste profile criteria.

The existing asbestos and lead paint on the site are not recognized environmental concerns unless disturbed by sanding, grinding, scraping, or drilling/abrading etc. If the asbestos containing materials are going to be impacted or removed; LEGEND recommends retaining a North Dakota Certified Abatement Contractor to properly complete the work. The lead painted surfaces can be painted over and all surfaces washed with a tri-sodium phosphate detergent. If loose delaminated paint is present it should be stabilized by a North Dakota Certified Lead Abatement Contractor or an EPA Certified Renovate Right Lead Based paint contractor.

Therefore there are recognized environmental concerns (RECs) that warrant further site investigation and proceeding to a Phase II Environmental Site Assessment.

"I, Mark Waltz of LEGEND Technical Services, Inc. declare to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 312.10 of 40 CFR 312."

LEGEND has performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Practice E 1527 of the Frost Fire Ski Resort and Theatre site at 11950 County Road 55, Walhalla, North Dakota (the property/site). Any exceptions to, or deletions from, this practice are described in Section 1.4, Scope of Work as outlined for the Phase I report.

This assessment has revealed three recognized environmental conditions and has asbestos and lead paint building materials in connection with the property. LEGEND recommends proceeding to a Phase II ESA incorporating contaminated soil excavation and/or soil borings to determine the extent of the petroleum contamination.

THE REGION

Frost Fire Ski/Theater Mountain Area

In the northeast corner of North Dakota, just 5 miles south of the Canadian border and 7 miles east of Walhalla, is Frost Fire, a 140 acre ski and summer theater destination. The property lays in the North Dakota Rendezvous Region with the Pembina Gorge the key geological feature of this region. The site sits on the east slope of the western edge of the Pembina River. Frost Fire is part of numerous points of interest for recreation, education and cultural events.



Geology and the Pembina Gorge

The Pembina Escarpment is an impressive landscape in what is otherwise a very flat topography of the state of North Dakota, including The Red River Valley, one of the flattest areas in the country. The mountains along the edge of the Pembina River rise up between 300 and 400 feet in elevation creating the Pembina Gorge. This geological formation dates back millions of years and is the result of an ancient seaway covering North America. Thousands of years ago, geological actions including volcanic eruptions from the Rocky Mountains, large glacier formations and wave action of glacial Lake Agassiz on the east and Lakes Souris, Regina and others on the west resulted in the gorge and the deep valley of the Pembina River. This topography is a stark contrast to the Red River Valley and is a unique area to the State of North Dakota.

The Pembina Gorge encompasses approximately 12,500 acres of woodlands and has the longest unaltered river valley in the state. The waters of the Pembina River have cut one of the deepest and steepest river valleys in North Dakota. The woodland forest of the region has three different biographical provinces; boreal forest, eastern deciduous forest and central grasslands. The region is home to a wide variety of plant and animal species including 30 rare plant species and 20 rare animals in the state.

Recreational Opportunities

The North Dakota Parks and Recreation Department has developed the Pembina Gorge State Recreation Area, just to the north of Frost Fire, as a multiuse trail system that provides avenues to horseback riding, off-highway vehicles; dirt bikes, four wheelers and side by sides.

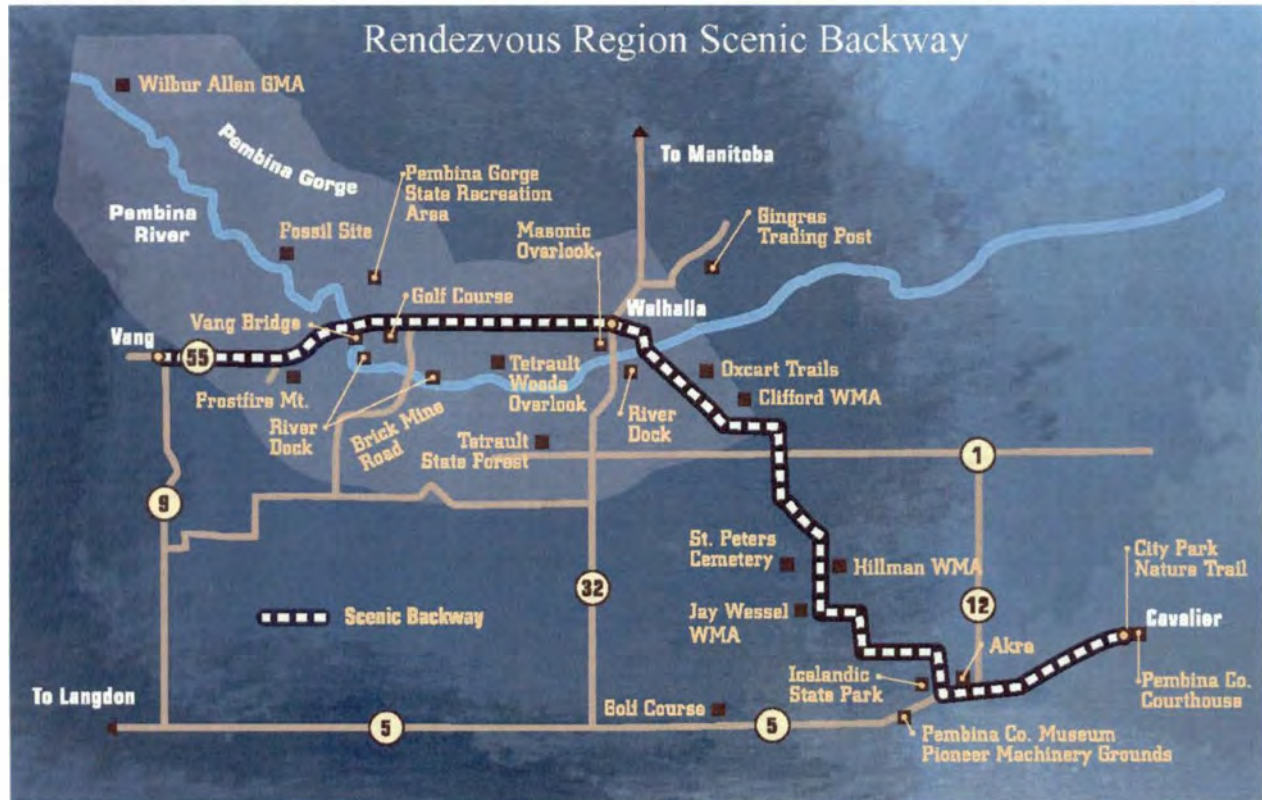


"At the trailhead (located one mile west and a quarter mile north of Walhalla Country Club) trail head riders are treated to a breathtaking view from the top of Three Sisters Hills." (from North Dakota Parks and Recreation brochure: [Pembina Gorge Recreation Area](#).) The trail travels northwest along the Little Pembina River and goes up the valley to the confluence of the Little Pembina River and the Pembina River. From this spot there is a view of Frost Fire Mountain ski area. The trail continues west and ends in the meadows north of the river. Additional trails have been added and are planned for this site.

THE REGION

Golf Courses: There are several Golf Courses in the area, including Walhalla Country Club which is a 9 hole course, Cavalier Country Club 6 miles west of Cavalier, 9 hole, and Langdon Country Club also a 9 hole course.

Rendezvous Region Scenic Backway is 33.5 Miles commencing in Cavalier, North Dakota traveling west to Vang, North Dakota. This backway trail offers a scenic route through portions of the Pembina Gorge and the surrounding countryside.



Map from North Dakota Tourism Office.

Along the Backway: Peter's Lutheran Church



Frost-Fire Walhalla, North Dakota

THE REGION



Vang Bridge



Masonic Scenic Overlook is within the Walhalla city limits. The site is just off the scenic backway trail and offers a view of the Pembina Gorge.



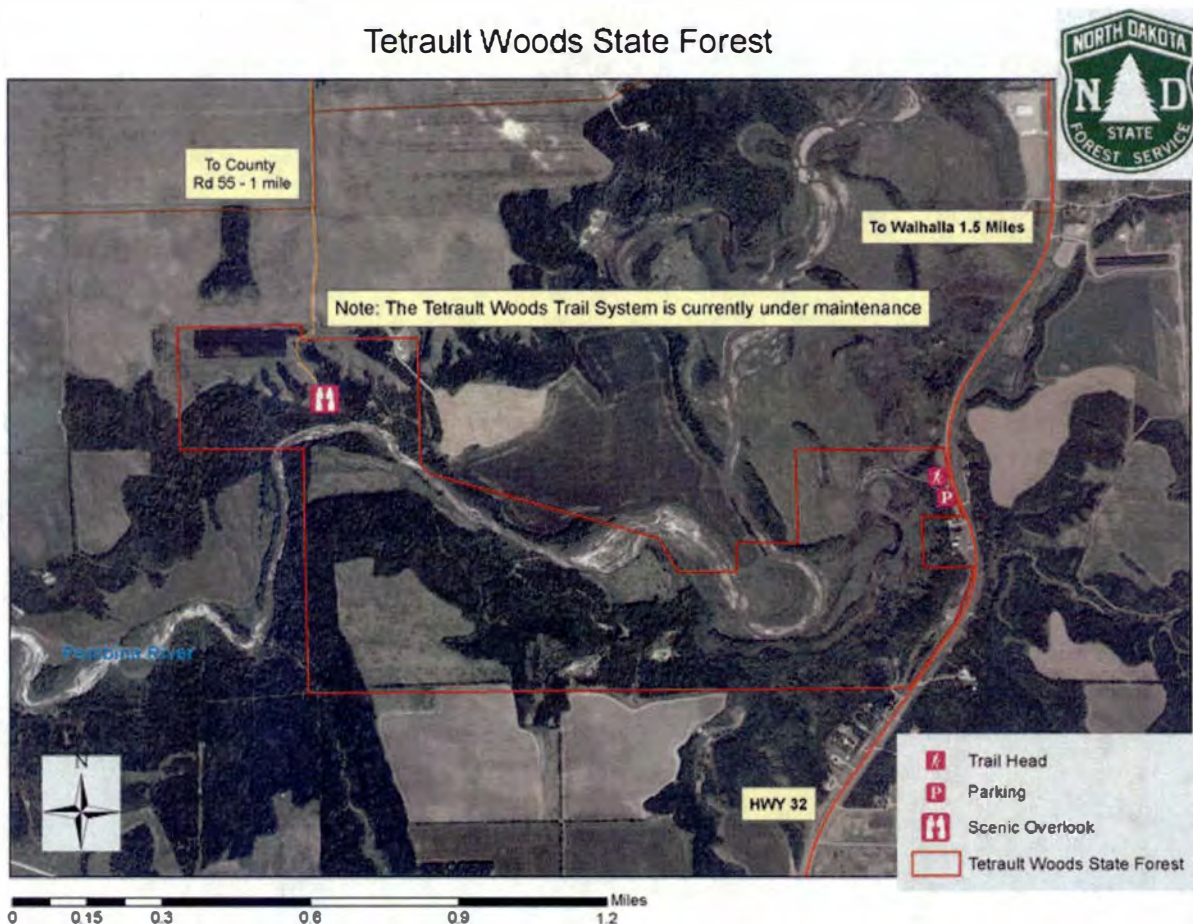
THE REGION

There are benches and a picnic table.



Tetrault Woods State Park is one and a half mile south of Walhalla and offers approximately 420 acres of natural wilderness. This park was established in 1970. Visitors can bike, horseback ride, picnic, cross country ski and snowmobile in the park.

Tetrault Woods State Forest



Map from North Dakota State Forest Service Web Site

THE REGION

Cultural and Historic Interest

Gingras Trading Post



Trading Post



Residence

"The Gingras Trading Post State Historic Site preserves the 1840s home and trading post of Métis legislator and businessman Antoine Blanc Gingras, northeast of Walhalla, Pembina County. Métis, meaning "mixed blood" or "mixed race," is a term used by people of combined Indian and European ancestry to describe themselves. Gingras was a prominent fur trader, who in 1861 claimed a net worth of \$60,000 and later increased his holdings to include a chain of trading posts extending across northern Dakota Territory and southern Manitoba. Gingras's hand-hewn oak log store and home are among the few tangible remains of the fur trade in the Red River Valley.

Both buildings on Gingras State Historic Site have been restored to their original appearance. While the logs are exposed on the two-story trading post, clapboard siding covers the log structure of the house. The siding was added soon after the house was built. The house has been painted in its original historic colors, as determined by study of traces of the original paint. The exterior is deep red with white trim, and the interior reproduces the original color scheme of blue walls, yellow floors, pink ceilings, and green and brown trim. Interpretive panels and exhibits about Gingras, Métis heritage, and the fur trade are located in the restored house. Authentic reproductions of fur trade goods are sold in the Gingras store.

The site is listed on the National Register of Historic Places."

Description is from the State Historical Society's Web site [Gingras Trading Post State Historical Site](#).



Looking to the south towards the Pembina River. The foreground at one time in history was the actual river much closer to the Trading post.

THE REGION

Kittson Trading Post and State Historical Park

Norman Kittson established this Fur Trading headquarters in 1844. His operation was in competition with the Hudson Bay Company. Kittson was also a steamboat and railroad entrepreneur in the Red River Valley. He operated numerous ox-carts in the Valley as well.

The park is heavily wooded and includes a picnic area, shelter, restrooms, and hiking trail.



(Photo from State Historical Society Web Page)

Red River Ox Cart Trails

Another important historic feature of this area in the state is the historic ox-cart trails that crisscrossed the region from approximately 1800 to 1870. The ox cart was an important means of transportation for commerce.



Map Source: Red River Trails

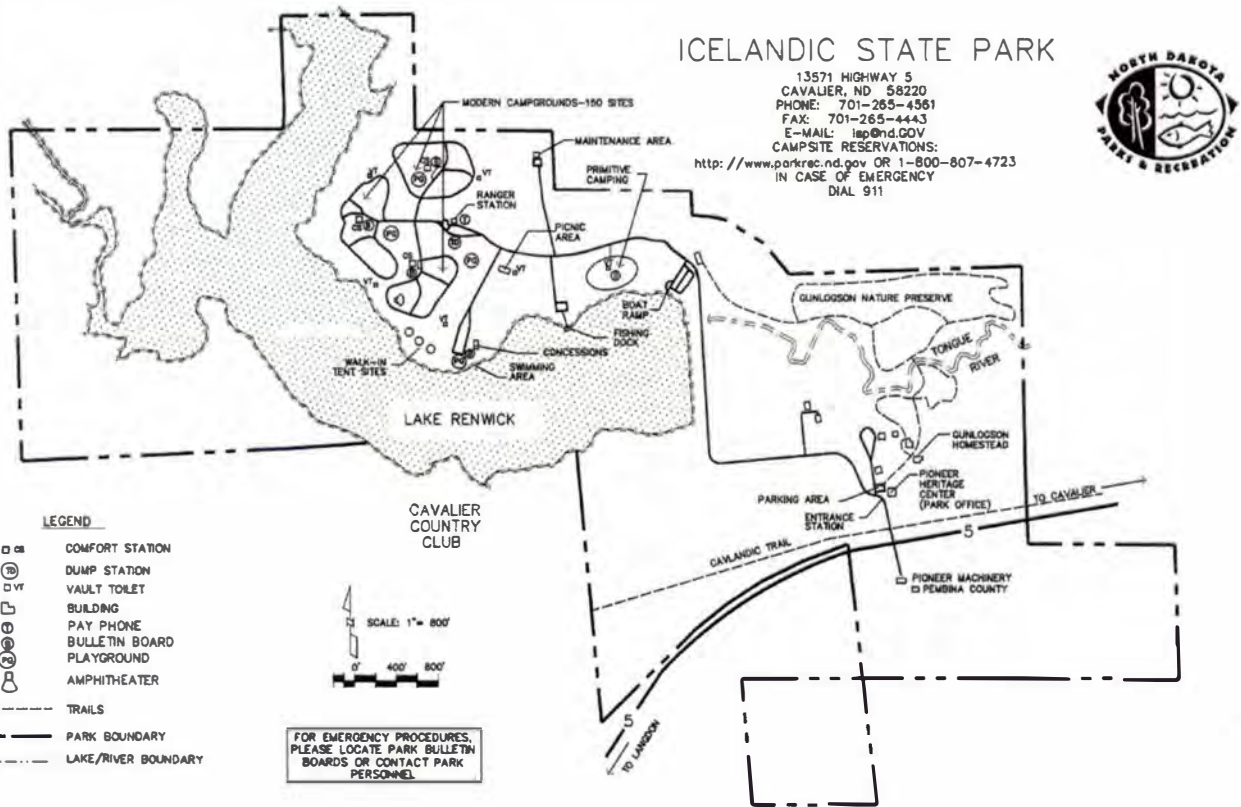
Early in the 19th century, it is recorded in a fur trader's journal, that a cart was fitted with solid wheels. This was the first evidence of the cart. The cart was typically a two wheel vehicle, pulled by horse or oxen. The size, construction and materials all varied, but the general design was the same. These carts were used by the Fur Trading Companies to transport furs to St. Paul, MN. Without wheels they could float on water down the rivers.

There were several major routes from Canada through Minnesota. Minor trails included the Red River Trails, one on the east of the Red River and the other two on the west. The north most trail traveled west from Pembina to Walhalla along the north shore of the Pembina River. The Gingras Trading Post, just northeast of Walhalla was one spot along this trail. The trail then went south in North Dakota to Fort Abercombie.

THE REGION

Icelandic State Park and Cavalier Park Nature Trail / Gunlogson Nature Preserve

Icelandic State Park is located west of Cavalier on the north shore of Lake Renwick. The park was established with a variety of amenities including camping, boating, swimming, fishing, and nature hiking. There is a museum located in the Pioneer Heritage Center and the site contains several historic structures open to tour. The Gunlogson Nature Preserve and Recreational Trail, along the Tongue River, allows visitors to experience several eco-systems, marsh, bog, woods and prairie and it supports numerous rare plant and wildlife species. This was the first nature preserve in the State of North Dakota.



1/08

Icelandic State Park Pioneer Heritage Center

THE REGION



Pembina County Museum and Pioneer Machinery Grounds

The Pembina County Museum is across Highway 5 from Icelandic State Park and Pioneer Center. This site includes a museum, 4 exhibit buildings, the Bathgate Depot, The McKenzie-McKechine Granary, the Paton House, St. Anthony's Church, and Blacksmith's Shop. A barn and tractor pull are located on land leased from the ND Parks and Recreation adjacent to the Pembina County Museum Site.

Pembina State Museum

This museum is located just off Interstate 29, 3 miles south of the Canadian border in Pembina, North Dakota.



Permanent Exhibit Gallery

*Follow the river graphic in the sidewalk inside to discover 100 million years of the region's history. See fossils from a time before glacial Lake Agassiz as well as stone and bone tools of the first peoples. Examine the Red River oxcart and other objects of Pembina's fur trade industry. Investigate the history of frontier military forts and the U.S. and Canadian border survey. Learn about the diverse peoples who call Pembina home, including Native American peoples and Euro-American settlers. Find out about agriculture and transportation industries that continue to play a role in the economics of the **Observation Tower**.*

Get a stunning view of the Red River Valley from seven stories above the ground. On a clear day visitors have a 360-degree view for ten miles: a neatly organized patchwork of modern farmlands and evidence of the region's historic sites, industry, transportation, and communications.

Source; State Historical Society of North Dakota Web Site

PLEASE NOTE

**THIS APPRAISAL IS BEING EVALUATED/ASSESSED BY
ANOTHER INDEPENDENT APPRAISER**

REASONS BEING:

**NATURE OF THE THREE DIFFERENT BUSINESSES
INVOLVED:**

- SKI RESORT
- OUTDOOR AMPITHEATER
- FOOD SERVICE
- LARGE VOLUME OF EQUIPMENT AND
SPECIALIZED DUE TO THE NATURE OF THE
BUSINESSES INVOLVED

**THE APPRAISED VALUE WILL BE THE
PURCHASE PRICE**

**Business sector will be leased to entrepreneurs
Therefore, directly supporting the fixed expenses
of the proposed “Pembina Gorge State Recreation
Interpretive Center”**

APPRAISAL REPORT OF THE

FROST FIRE SKI & SNOWBOARD AREA PROPERTY

NEAR WALHALLA, ND

FOR

KATHY STREMICK, DIRECTOR
WALHALLA ECONOMIC DEVELOPMENT
CITY OF WALHALLA
WALHALLA, NORTH DAKOTA

BY

TINJUM APPRAISAL COMPANY, INC
BRIAN R. TINJUM, MAI
CERTIFIED GENERAL APPRAISER
NORTH DAKOTA PERMIT# CG-2908

OCTOBER 18, 2012



TINJUM APPRAISAL COMPANY, INC.

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RODGER K. TINJUM
Accredited Rural Appraiser
Certified Federal General
MN I.D. #4002348
ND I.D. #CG-1147



Professional Appraisals and Consultant Service

MARILYNE TINJUM
Certified Residential Appraiser
MN I.D. #20005597

December 10, 2012

Kathy Stremick, Director
Walhalla Economic Development
City of Walhalla
PO Box 318
Walhalla, ND 58282

Property Identification: Frost Fire Ski and Snowboard Area
Walhalla, ND

Legal Description: Part of Section 30, Township 163, Range 57, Cavalier County
(North Olga Township), North Dakota (see addendum for complete
legal description)

Date of Value: October 18, 2012

I have completed an appraisal of the above referenced property for the purpose of providing an opinion of market value to assist the Client and intended users in the acquisition of the property by the State of North Dakota. The subject property is presently improved with a Ski Area and Theater. The following written report represents the findings, analysis and conclusions of this appraisal. I have made an inspection of the property and have identified the real estate in the report. A summary report was prepared.

Based upon facts and opinions contained in the attached report, together with other information in my possession, as of the 18th day of October, 2012, the date of inspection, it is my opinion that the value of the real estate, furniture, fixtures, and equipment is:

Market Value
Four Hundred Fifty Thousand Dollars (\$450,000)

Value As Operated
One Million One Hundred Seventy-Nine Thousand Dollars (\$1,179,000)

Kathy Stremick
December 10, 2012
Page 2

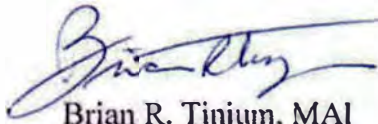
The valuation is subject to the Assumptions and Limiting Conditions, plus the Extraordinary Assumptions and Hypothetical Condition contained on Pages 5 thru 7 of this report.

This letter is to be used in conjunction with the attached report. Separation of this letter from the attached report invalidates this letter and makes it void.

I certify, to the best of my knowledge and belief, the reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity to the appraisal guidelines as outlined in the Uniform Standards of Professional Appraisal Practices (USPAP) and to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Sincerely,



Brian R. Tinjun, MAI
Certified General Appraiser
North Dakota Permit# CG-2908

SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

1. **Ownership:** Richard & Judith Johnson
Jay Johnson
2. **Location:** County Road 55, Near Walhalla, North Dakota
3. **Legal Description:** Part of Section 30, Township 163, Range 57,
Cavalier County (North Olga Township), North
Dakota (see addendum for complete legal
description)
4. **Zoning:** Commercial - Agricultural Service Center District
5. **Date of Inspection:** October 18, 2012
6. **Property Rights Appraised:** Fee simple interest
7. **2011 Real Estate Taxes:** \$4,498.31
8. **Assessor's CMV 2012:** \$315,660
9. **PID Numbers:** 30227000; 30227010; 30229000; 30229010;
30233000; 30233010; 30237000; 30237010;
30226000; 30236001; 30236011
10. **Site Size:** 172.75 acres
11. **Improvements:** All Class D structures
12. **Main Building Area:** Approximately 21,233 square feet
13. **Highest and Best Use:** Ski Area and Theater plus Additional Land
14. **Valuation Date:** October 18, 2012
15. **Value Opinions:**

Market Value:	Improved Real Estate with 92 Ac:	\$ 266,000
	Personal Property (F, F, & E):	\$ 75,000
	Extra Land (80.75 Acres)	<u>\$ 109,000</u>
	Total Market Value:	\$ 450,000
Value As Operated:	Improved Real Estate with 92 Ac:	\$ 829,600
	Personal Property (F, F, & E):	\$ 240,400
	Extra Land (80.75 Acres)	<u>\$ 109,000</u>
	Total Value:	\$1,179,000

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AUTHORIZATION: Kathy Stremick, Director of Walhalla Economic Development

ASSUMPTIONS AND LIMITING CONDITIONS

The following report is prepared subject to these conditions. Do not rely on the report unless you accept the conditions.

1. Fee simple title is assumed to rest in the named owner. This appraisal does not include any title investigation and no warranty of title is here implied. The title is assumed to be marketable.
2. Fee simple interest is being appraised.
3. It is assumed that there are no liens, easements, covenants or other restrictions currently interfering with full enjoyment of all the property rights ordinarily accorded by law to real estate of this character, except those noted.
4. It is assumed that applicable zoning regulations permit use of the property for any lawful purpose.
5. This appraisal report has been prepared for the exclusive benefit of Kathy Stremick, Director of Walhalla Economic Development (Client), Pembina and Cavalier County JDA (Job Development Authority), YHR Partners, Richard Johnson, and Judith Johnson. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report without the preparer's written consent does so at his own risk.
6. No responsibility is assumed for matters of legal nature.
7. The adjustments used within this report are valid for the sales and subject in this report. The adjustments are not valid outside the context of this report and are not to be used for comparing different circumstances than those presented here.
8. Oil and gas production is not prevalent in this area of North Dakota. Because exploration in the area of the subject property has not, to the appraiser's knowledge, proven the existence of significantly valuable minerals, mineral rights are considered to not affect value.
9. This report is made under proper appraisal procedures to conform to the "Uniform Standards of Professional Appraisal Practice".
10. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the

appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, the client shall make such party aware of all the assumptions and limiting conditions of the assignment.

11. The value determined considers the property to be free and clear of any hazardous waste or pollutants which may have a negative effect on value; no opinions as to the probability of pollutants is rendered.
12. Although a walk-through inspection has been performed, an appraiser is not an expert in the field of building inspection and/or engineering. An expert in the field of engineering/seismic hazards detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired.
13. As part of the visual walk-through inspection performed by the appraiser, the appraiser has not inspected inaccessible areas. If an inspection of areas which are not accessible is desired, an expert in the field should be consulted.
14. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
15. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or a maximum valuation.
16. The appraisal includes **real estate, furniture, fixtures and equipment.**

EXTRAORDINARY ASSUMPTIONS

DEFINITION: **Extraordinary Assumption:** an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

(USPAP, 2012-2013 Edition)

1. Data and information on the subject property including building sizes, and floor plans are based on information and sketches provided by YHR Partners. The assumption is made that the data provided is accurate.
2. A Phase One Environmental Audit indicated the subject site has some contamination due to the use of petroleum products. The contamination is to be cleaned up. The assumption is made that the contamination has been cleaned up. The value determined considers the property to be free and clear of any hazardous waste or pollutants which may have a negative effect on value.

The use of the extraordinary assumptions might have affected the assignment results.

HYPOTHETICAL CONDITIONS

DEFINITION: **Hypothetical Condition:** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

(USPAP, 2012-2013 Edition)

1. The parcel of land recently purchased from Loren and Betty Gendreau has buildings and improvements which are to be excluded from the analysis. This portion is to be considered "as if vacant". The current owners plan to have the buildings removed from the site. As of the date of inspection and value, the residence and garage were listed for sale. Prior to the completion of the report they had been sold and are to be removed from the site.
2. The subject owners have purchased additional equipment, a magic carpet lift, to replace an existing lift. The new lift was not delivered and installed when the property was viewed on October 18, 2012. The assumption is made that the new lift was been installed.

The use of the hypothetical conditions may have affected the assignment results.

APPRAISER COMPETENCY

The appraiser, Brian R. Tinjum, MAI, has 25 years of experience in the real estate appraisal field and received the MAI designation in April 2008. Types of properties appraised include single and multi-family residential, agricultural, recreational, commercial, light industrial, resorts, campgrounds, restaurants, convenience stores, retail, office, nursing homes, residential subdivisions, vacant land, and special purpose properties. In the last 15 years he has completed appraisals of many resorts in the northern and central part of Minnesota. He has completed reports for both private parties and governmental agencies, including appraisals of properties in northern and north central Minnesota and eastern North Dakota. This is the first appraisal of a ski area in northeastern North Dakota completed by the appraiser. To complete a competent appraisal of the subject property, the appraiser read articles on appraising a ski area and recreational properties, interviewed an appraiser experienced in appraising ski areas, interviewed operators of other ski areas, and researched the local and expanded market area.

DEFINITION OF VALUE

The definition of market value is:

“Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”¹

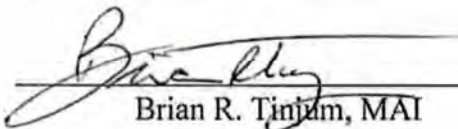
The definition of market value utilized does not link the estimate of value to a specific exposure or marketing time estimate. The property is required to be exposed on the open market for a reasonable length of time, given the character and market of the subject property.

¹ Uniform Appraisal Standards for Federal Land Acquisitions, Section A-9, Page 13

APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, extraordinary assumptions and hypothetical conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- This report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made a personal viewing of the property that is the subject of this report on October 18, 2012.
- I have not previously appraised the subject property or provided professional real property services for the subject property in the last three years.
- No one provided significant real property appraisal to the person signing this certification.
- That the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



Brian R. Tinjum, MAI
Certified General Appraiser
ND Permit# CG-2908

December 10, 2012
Date of Signature

STATEMENT OF CO-AUTHORSHIP

Brian R. Tinjum assumes the responsibility for the analysis, conclusions and opinions concerning real estate and attached appurtenance in this report. Catie Herman and Brittany Easton assisted in describing the property, preparing exhibits and assemblage of the report.

ENVIRONMENTAL CONCERNS

Environmental concerns were not investigated; no opinion as to the probability of pollutants is rendered. The value estimated considers the property to be free and clear of any hazardous waste or pollutants which may have a negative effect on value.

SOURCES

Building measurements were based on building plans and sketches, on-site measurements and county records. Estimates for replacement costs were derived from various sources. Those used were the Marshall Valuation Service, actual costs reported by the property owner, websites listing the cost for equipment, and actual cost estimates from our files.

EXPOSURE TIME

The exposure time is estimated to be 12 to 24 months due to the uniqueness of the property and the need to find a qualified purchaser.

SCOPE OF APPRAISAL

The subject property was inspected on October 18, 2012. Photographs were taken. The surrounding property was viewed. Sketches and information on the improvements were obtained and reviewed. Sales of vacant land in Cavalier and Pembina Counties of North Dakota were researched. Sales similar to the subject were found to help determine the value of the subject land. Sales of ski areas similar to the current use of the subject were researched. Research was completed to locate rental rate information. The Sales Comparison, Cost and Income Approaches to value were considered. The Cost and Income Approaches were found applicable and were used to value the subject property. A summary report was prepared.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to determine the Market Value of the property on October 18, 2012, the date of inspection, to assist the Client and intended users in the acquisition of the property by the State of North Dakota.

PROPERTY RIGHTS APPRAISED

The property is appraised in fee simple considering that the title is marketable and that no liens, assessments or special assessments remain outstanding.

CLIENT

The client is Kathy Stremick, Director of Walhalla Economic Development.

INTENDED USE THE OF REPORT

The intended use is to assist the Client and intended users in the acquisition of the property by the State of North Dakota.

INTENDED USERS OF REPORT

The intended users are Kathy Stremick, Director of Walhalla Economic Development (Client), Pembina and Cavalier County JDA (Job Development Authority), YHR Partners, Richard Johnson, and Judith Johnson.

PROPERTY USE AND HISTORY OF USE

The subject is presently used as a ski area and summer theater.

The current owners purchased the main parcel in 1976 and have developed and expanded the facility over the years. The original area of the main lodge was constructed in 1976 with additions made at various times.

The ski resort, known as Frost Fire Ski and Snowboard Area, includes ten ski runs; three beginners, two intermediate, five advanced runs and a Half Pipe and Terrain Park. The facility

has one double and one triple chair lift. A tubing area with a magic carpet lift is also available. Frost Fire has the ability to make snow on all runs, combined with daily grooming. Rental equipment is available, as well as a day lodge, grill, lounge and dining room. The subject enjoys approximately 15,000 annual ski area visitors.

The amphitheater musical runs during the summer on Saturday and Sunday evenings, usually beginning the last weekend in June through the first weekend in August. The subject enjoys 4,000 to 5,000 theater ticket sales each year depending on the popularity of the production.

FIVE YEAR PROPERTY SALE HISTORY

An 11 acre tract of land north of County Highway 55 was purchased by Richard and Judith Johnson from Loren and Betty Gendreau, Carol Bjornson Salwei and John Salwei, Maxine Bjornson, Olava Bjornson, and Wilmar Gendreau on October 4, 2012 for the sum of \$69,000, by a Warranty Deed filed on October 4, 2012 as Document 235615 in the Cavalier County Recorder's Office. The sale included a residence and garage which the current owners have sold with the buyers to move the buildings from the site. The residence reportedly sold for \$5,500 and the garage sold for \$750.

No other known transfers have occurred in the last five years.

LEGAL DESCRIPTION

Part of Section 30, Township 163, Range 57, Cavalier County (North Olga Township), North Dakota (see addendum for complete legal description)

IDENTIFICATION OF PROPERTY

Address: Frost Fire Ski and Snowboard Area
County Road 55
Near Walhalla, North Dakota

PID Numbers: 30227000; 30227010; 30229000; 30229010; 30233000; 30233010;
30237000; 30237010; 30226000; 30236001; 30236011

The subject is presently used as a ski area and summer theater.

ZONING

The subject is zoned **Agricultural Service Center District (AS)** by North Olga Township. The subject property is a preexisting use and is currently considered a legal non-conforming property. Discussions with the local township indicated that the current use of the subject is allowed to continue and expand.

Purpose: To establish and preserve areas for a general purpose land use district for rural unincorporated service centers. An **Agricultural Service Center District** serves to recognize these unincorporated villages and provides for a continuation with limited expansion into the adjacent countryside.

Permitted Uses: Agriculturally oriented commercial uses, one and two family detached dwellings, mobile homes affixed to a permanent foundation or concrete slab, home occupations, office service or retail establishments, places of amusement, warehousing and indoor storage facilities, churches, parks and playgrounds, community buildings and school, accessory uses to the permitted uses.

Conditional Uses: The following conditional uses and their accessory uses are permitted subject to the stipulation of the zoning board: sanitary disposal facilities for use by community residents only, agriculturally oriented industrial uses, mobile home parks.

Other uses of the same nature that are classed as those listed above in "Permitted Uses" section which in the opinion of the Board of Adjustment as evidenced by a resolution of record, are not obnoxious or detrimental to the health, safety, morals, or the general welfare of the area than those uses listed as permitted uses.

Zoning Requirements		
		AS
		Agricultural Service Center District
Lot Size - Residential		A) One acre without either public sewer or water B) 7,500 square feet with either public sewer or water
Lot Width		A) 100 feet without either public sewer or water B) 75 feet with either sewer or water
Area Coverage		Principal and accessory buildings shall not occupy more than 40% of the area of the lot
Setbacks	Residential	30 feet
	Commercial	None
	Industrial	40 feet
Yards	Residential	10 feet
	Commercial	None
	Industrial	Height of Building

LOCATION

The property is located on Cavalier County Road 55, approximately 6 miles west of Walhalla, North Dakota. Area properties include agricultural unimproved land, heavily wooded land, and a few rural residences. To the north of the subject is County Road 55. To the east, south, and west of the subject is agricultural unimproved farmland and heavily wooded areas.

SITE

The site has a total of approximately 172.75 acres, excluding a one acre tract that includes a residence.

TOPOGRAPHY AND SOIL

The subject topography is mostly sloping to steeply sloping. The general subject area soils are the Olga-Kloten complex, Rollete silty clay loam, Olga silty clay loam, and Rolette clay loam. The soils are moderately well drained. The soils can create some difficulty when building and generally need excavation and backfilling with granular material.

PARKING

On-site parking is available on a gravel surfaced parking area to the northeast of the Lodge and Barn.

UTILITIES

This property is served with Langdon Rural Water, a private well, a septic system and electricity.

REGIONAL AND COMMUNITY DATA

Walhalla, North Dakota is a picturesque community nestled along the bends of the Pembina River just east of the colorful panorama of the Pembina Gorge and surrounding the hills and valleys, located in the "Rendezvous Region". As the second-oldest community in the State, Walhalla has also been blessed with a rich historical heritage. The two amenities of natural

beauty and a rich colorful history provide an exciting and tremendous future for the community.

The rugged, unspoiled beauty of 12,500 acres of the state's largest block of undisturbed woodlands, the longest segment of untouched river valley and the oldest rocks and fossils - makes northeast North Dakota's Pembina Gorge near Walhalla a destination unlike any other tourism spot in the state. Hikers, birders, kayakers and other nature lovers catch glimpses of elk, moose and an occasional bear that are among more than 20 different types of animals living in the gorge. Eight wildlife management areas within the greater Rendezvous Region attract hundreds of bird species.

Walhalla, "Valley of the Gods", the center of the Pembina Hills, is located in northwestern Pembina County in the extreme northeastern part of North Dakota. It is approximately 95 miles southwest of Winnipeg, Manitoba, Canada and approximately 100 miles northwest of Grand Forks, ND, and approximately 180 miles northwest of Fargo, ND. The city is 5 miles south of the Canadian border and 30 miles west of Minnesota. Walhalla is served by ND State Highway No. 32, County Highway No. 55 and by Burlington Northern Railroad. Interstate 29 is approximately 30 miles east. Walhalla serves as a trade center of western Pembina and northeastern Cavalier Counties. It is a residential center and serves as an outlet for the agricultural and manufacturing products produced in the area.

The City of Walhalla has a population of 996 people, per the 2010 Census. This is down 5.77% from the 2000 Census of 1,057 people.

Pembina County, where Walhalla is located, has seen a population decrease from 8,585 (2000 Census), to 7,413 per the 2010 Census. Cavalier County, where the subject is located, has seen a population decrease from 4,831 (2000 Census), to 3,993 per the 2010 Census.

Transportation includes the Burlington Northern Railway. The Walhalla Municipal Airport, located one mile north of the city, has a 3,400-foot paved runway and provides general aviation services. A major highway serving the area is North Dakota State Highway 32. Interstate Highway 29 is located approximately 30 miles east of Walhalla.

Community services include a bank, hotels/motels, a nursing home, doctor, dentist, and churches.

In the Walhalla, Langdon, and Cavalier, North Dakota and Winkler, Manitoba area there is approximately 250 lodging rooms.

Education opportunities located in Walhalla include a K-12 public education system.

The area climate typically includes about 19 inches of precipitation per year with about 37 inches of snow. July is the hottest month; January is the coldest month. The growing season is 100± days.

The city and area economy is dependent on a mix of governmental, manufacturing, healthcare, agricultural, forestry, fishing, and hunting. Walhalla is a stable community.

NEIGHBORHOOD DATA

The property is located on Cavalier County Road 55, approximately 6 miles west of Walhalla, North Dakota. The subject is located on County Road 55, a two-way, bituminous and gravel surfaced road which travels generally in an east-west direction. Visibility and access to and from the subject property is considered to be average for the use to which it is put. Ingress and egress to the subject is available from County Road 55 onto a gravel surfaced drive.

The Pembina Gorge, located in the subject area, extends from the Canadian border to just northwest of Walhalla. It is the deepest and steepest river valley in the state. The gorge also encompasses much of the largest uninterrupted area of woodlands, as well as the longest unaltered segment of river valley in North Dakota.

Located east of the subject approximately one mile is the Walhalla Country Club, a 9-hole grass green golf course located in the Pembina Hills. A club house, restaurant, lounge and banqueting facilities are also available to the public.

Also in the area of the subject are large areas of unimproved agricultural woodland and farmland. Photographic and map exhibits in this report depict the subject property and its immediate vicinity.

The neighborhood has accessibility to utilities available in the area including garbage pickup, telephone, and electricity. No other nuisances, hazards, or detrimental conditions were noted. Police and fire protection are average for the area.

Financing is available and varies from conventional or owner types for commercial properties to government insured and conventional for residential properties. Interest rates vary from three to 10 percent depending on the type of property and the qualifications of the borrower. Mortgage ratios are typically from 50 to 80 percent for commercial-industrial properties, and 80 to 95 percent for residential properties.

2011 REAL ESTATE TAXES - PAYABLE 2012

PID: 30227000; 30227010; 30229000; 30229010; 30233000; 30233010; 30237000;
30237010; 30226000; 30236001; 30236011

Taxes:	\$ 4,731.72
<u>Special Assessments:</u>	\$ 0.00
Total:	\$ 4,731.72
<u>Discount for early payment:</u>	\$ 233.41
Total Paid 2012	\$ 4,498.31

ASSESSOR'S CERTIFIED MARKET VALUE – 2012

Parcel #	True & Full Value
30227000	\$500
30227010	\$0 *
30229000	\$0
30229010	\$0 *
30233000	\$203,180
30233010	\$0 *
30237000	\$100,000
30237010	\$0 *
30226000	\$10,560
30236001	\$1,420
30226011	\$0 *
Totals	\$315,660

*Enrolled in Native Woodlands (Forest Stewardship Tax Law) which calculates taxes at \$0.50 per acre. Cavalier County does not determine a value for these areas.

FLOOD HAZARD

None

CENSUS TRACT

9511 (Map Reference C38-019)

LAND DESCRIPTION

The subject site is located west of Walhalla, North Dakota (see the Addenda for a visual description of the site). The land is summarized as follows:

Land area: 172.75 Acres
(Includes 127.10 Acres enrolled in Native Woodlands)

Shape: Irregular

Topography:	Level to steeply sloping
Soils:	No soil tests were made; we assume all soils are buildable and free from toxic waste and environmental hazards.
Vegetation:	Trees, Shrubs, Grass
Apparent easements:	Road, access, and utility easements
Utilities:	Private well and septic system, electricity
Accessibility onto site:	Direct access comes from County Road 55
Street surface:	Gravel surfaced County Road
Parking:	On site gravel-surfaced parking spaces

ACCESSIBILITY AND IDENTITY

Accessibility of the property is good from County Road 55. Identity is good with the use of signs.

IMPROVEMENTS

The subject property is presently improved with a Lodge, Barn, Gift Shop, old Carriage House, Amphitheater, Dormitory, Shop, Pump House, and Attendant Houses.

All improvements are Class D construction, see grid below for a breakdown of square footages.

<u>Main Buildings</u>	<u>Area (Sq. Ft.)</u>
Lodge, Barn and Additions	9,595
Hattie's Gift Shop	1,603
Dormitory	3,150
Amphitheater	5,500
Shop	1,385
Total	21,233

LODGE

Foundation:	Poured concrete and wood
Frame:	Class D – Wood frame
Exterior wall:	Wood
Floor structure:	Wood
Roof structure:	Wood
Roof cover:	Metal panel system
Interior construction:	Wood frame
Ceiling finish:	Wood panel system
Wall finish:	Varnished or painted wood board
Insulation:	Good
Floor covering:	Varnished or painted wood board, and vinyl tile
Electrical:	Six 200 amp panels
Plumbing:	Adequate
HVAC:	Forced air; gas
Sprinklers:	No
Condition:	Good
Construction Quality:	Average
Age	36-37 years - Built 1975-1976 addition added in 1985

Frost Fire Mountain's main building is the Lodge Building. Built in 1975-1976, the original two story log structure includes a main level and a walkout lower level. A three story wood framed addition was added in 1985 which includes a main level, basement, and a small upper level loft area. Total approximate building area is 5,450 square feet (5,120 square feet on two floors, plus 330 square feet of loft area).

The Lodge Building houses the ski/boot rental and storage facilities, a small pub area, restrooms, locker rooms, and storage on the lower level. The main level houses two large lounge areas, a commercial kitchen, and a large office space. The loft area is a private space used the by owner and includes a small $\frac{3}{4}$ bathroom.

In 2009, the large windows throughout the building were replaced and are now in excellent condition. The roof, also in excellent condition, has a metal panel system. Exterior walls, with an opaque stain, are in good condition. A wood framed exterior deck and railing structure, in fair condition, wraps around three sides of the building and will require repairs within the next few years.

Interior finishes of the lower level include concrete and vinyl floors. Walls are either varnished or painted wood board. Ceilings are a decorative wood panel system or no ceiling. Main level interior finishes include varnished wood floors, walls and ceilings. The kitchen has a vinyl tile floor and painted wall finishes. All interior finishes are in excellent to fair condition, with the flooring in the restrooms and kitchen having some cracking and deterioration.

The main level kitchen is a commercial kitchen, including commercial-grade appliances, stainless steel countertops, and a stainless steel hood with an Ansul fire extinguishing system. Equipment located in the kitchen includes a six-burner commercial range, warming oven, small oven, three compartment sink, under-counter commercial dishwasher, and reach-in freezer and cooler.

BARN & ADDITION

Foundation:	Wood framed
Frame:	Class D – Wood frame
Exterior wall:	Wood
Floor structure:	Wood
Roof structure:	Wood
Roof cover:	Asphalt Shingled
Interior construction:	Wood frame
Ceiling finish:	Wood
Wall finish:	Wood
Floor covering:	Carpet and sheet vinyl
Electrical:	Adequate
Plumbing:	Adequate
HVAC:	Forced air: electric
Sprinklers:	No
Condition:	Good
Construction Quality:	Average
Age	Unknown

Attached to the Lodge Building with an entry corridor along the north side of the Lodge is the Barn, which was moved to the site in 1989. The Barn houses the dining room on the main floor, and a large gathering space, storage area, and restroom on the lower level. Only accessible through a ceiling hatch, the Barn also has an upper loft area. There are plans that would make

use of this space in the future, but have not been implemented yet. Also, when the Barn was moved, an addition to the Lodge was added which expanded the kitchen space. Total approximate building area is 4,140 square feet, including the Barn and adjacent additions.

The Barn sits on a wood framed foundation, walls are constructed with wood studs and filled with fiberglass insulation, and the floor structure is constructed with wood rafters. Exterior walls are stained wood siding. There is some evidence of exterior pressure that is causing the separation of the wood studs from the main floor sill plate, and evidence of water penetration on the south side of the building with water damage to the walls and doors in the locker room area. Overall, the structure is in good condition.

The main and lower levels house a number of sliding glass doors which access the wood deck system that surrounds the building. The doors and windows are in good condition.

Interior finishes within the Barn include varnished tongue and groove wood walls and ceilings, and carpeted floors. Finishes within the large spaces are in good condition. Restrooms include sheet vinyl flooring, fiberglass wall panels, laminate countertops with porcelain sinks. The restrooms are in good condition, with minor cracks in the flooring and chips in the countertops.

HATTIE'S GIFT SHOP & CARRIAGE HOUSE

Foundation:	Concrete block with open crawl space
Frame:	Class D – Wood frame
Exterior wall:	Wood
Floor structure:	Wood
Roof structure:	Wood
Roof cover:	Asphalt Shingle
Interior construction:	Wood frame
Ceiling finish:	Plaster
Wall finish:	Plaster
Floor covering:	Wood
Electrical:	Minimal
Plumbing:	Adequate
HVAC:	None
Sprinklers:	No
Condition:	Fair to Average
Construction Quality:	Average
Age	84 years – Built in 1928

Originally an old two story farmhouse built in 1928, Hattie's Gift Shop was moved on site in 1989. Total approximate building area is 1,603 square feet, and is used in the summer as a gift shop/concession space.

The building was placed on a block foundation/open crawl space, is wood framed construction with wood siding, and has an asphalt shingled roof. The roof was replaced in 2009, but the original windows are still in place and are in poor condition. Several repairs to the home are needed to be made including replacement of several windows that are rotted away at the corners, repainting of exterior wood siding, and repairs to the front porch floor boards, as well as replacement of deteriorating porch column supports.

Interior finishes within the building include many of the original features. Original wood floors, plaster walls, wood work, and staircase with beautiful railing and balustrade. In some areas, the plaster has severe water damage.

The building has no heating system, as the original chimney was removed when the house was moved to its current site. Minimal electrical systems are in place as well.

Adjacent to Hattie's Gift Shop is an old carriage house which is in poor condition. The building has no value, and it has been determined that it will be torn down.

DORMITORY

Foundation:	Concrete slab with wood walls
Frame:	Class D – Wood frame
Exterior wall:	Wood
Floor structure:	Wood
Roof structure:	Wood
Roof cover:	Metal
Interior construction:	Wood frame
Ceiling finish:	Plaster
Wall finish:	Plaster and wood paneling
Floor covering:	Wood and sheet vinyl
Electrical:	Adequate
Plumbing:	Adequate
HVAC:	Electric boiler to base board radiation; air conditioning unit
Sprinklers:	No
Condition:	Fair to Average

Construction Quality:	Average
Age	Unknown

The building known as the Dorm was also moved onto the property. Originally a school in Olga, ND, the building was moved to Walhalla and used as a convent for the Catholic Church until it was moved to Frost Fire in 1995. The Dorm includes three stories plus a basement and has a total approximate building area of 3,150 square feet.

Now used as a dormitory/housing facility for the ski and theater venues on the site, the building consists of a large living room on the main floor with the remainder of the interior divided into sleeping quarters and communal toilet/shower facilities. A central staircase accesses all levels within the building.

The Dorm was moved onto a basement structure with a concrete slab with wood foundation walls. The building has wood framed construction and a gable roof with a standing seam metal system. The exterior has wood siding that is in fair condition with no evidence of rotting or decay, although most of the paint is gone. Original windows are still in place and are in average condition. Exterior doors are in poor condition, except for the newer hollow metal door installed on the second floor.

Interior finishes within the Dorm include walls with the original plaster and a few remodeled walls with painted drywall, some wood wall paneling, original wood floors and some sheet vinyl flooring. Ceilings, with minor cracking, are painted plaster.

The upper floors of the building have a toilet room on each floor, with original fixtures in fair to poor condition. The two large bathrooms on the lower level consists of four shower stalls each plus one toilet, lavatory, and countertop each. Both bathrooms are in average condition. Also on the lower level is a small kitchen with a sink, microwave, pizza oven and small refrigerator. The remainder of the basement is storage and mechanical areas.

AMPHITHEATER

Built in 1988, the 60 by 90 foot (or approximately 5,500 square feet) amphitheater area includes a stage with a small back-stage area, lighting/sound control enclosure (8 by 15 feet), and a sloped seating space covered with a large steel truss roof. Rows of molded plastic chairs attached to a bleacher structure can seat approximately 450 people. The aisles of the seating area are constructed with wooden steps and wooden half walls running the perimeter of the amphitheater. The stage and back-stage areas are wood framed construction. Electrical service is provided to the stage area and the lighting/sound enclosure. Overall, the facility is in good condition.

SHOP

The shop is a metal building, built in 1981-1982, has approximately 1,385 square feet of area. The building has a concrete floor and an insulated metal panel structure. The two large door openings, a 20-foot wide overhead door, a large sliding door opening, and a pedestrian door are located along the exterior of the building. A four foot deep concrete pit with a steel grate over the top of it is located in the middle of the building, and is used to access the underside of equipment for repairs, etc. Heating of the Shop is by a small propane furnace and wall-mounted electric unit heater. Overall, the building is in average condition.

PUMP HOUSE

Located at the bottom of the ski runs is the Pump House, a wood framed building with an asphalt shingled gable roof. Interior finishes are painted wood plywood sheathing. A single door allows access to the interior. The small building houses a pump that pumps water from the river and is used for making snow for the ski hills. Electrical service is available to supply power to the pump. Both the building and the pump are in average to good condition.

ATTENDANT HOUSES

A total of five attendant houses are located on the property, one at the top and bottom of each ski lift, and one near the snowboarding hill. They are each approximately 36 square feet, and are wood framed construction.

HIGHEST AND BEST USE DEFINITION

The Highest and Best Use has been defined as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property —specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.”

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

HIGHEST AND BEST USE

AS IF VACANT

Legally Permissible: The subject is located west of Walhalla, North Dakota, and has an agricultural service district zoning. Part of the property is enrolled in Native Woodlands (Forest Stewardship Tax Law) with the owner agreeing to prohibit clearing, grazing, burning, and destructive cutting. The owner can remove part or all of their property from Native Woodlands with notice to the NDSU-North Dakota Forest Service.

Physically Possible: The subject property contains 172.75 acres within the Pembina Gorge area. The subject has steeply sloping topography with a mixture of wood and open areas. The size, location and topography make agricultural use less likely than a rural residential or recreational use. Most allowed recreational and residential uses are possible.

Financially Feasible: Located in the subject neighborhood are mostly rural residential and wooded recreational properties. The size would allow for multiple parcels.

Maximum Profitability: The Highest and Best Use of the subject, **as if vacant**, is for a rural residential/recreational use.

AS IMPROVED

Legally Permissible: The subject is presently used as a ski area, and summer theater. The subject property improvements include a lodge, theater, dormitory, and several outbuildings. The subject property currently is considered a legal non-conforming property. The specific use of the subject is not included within the allowed uses. The current use of the subject is allowed to continue and expand according to the local township clerk.

Physically Possible: The improvements are in average to good condition. Some deferred maintenance is needed. The buildings have been designed and/or updated over time for their current uses. The ski area and theater occupy approximately 92 acres. The remaining 80.75 acres could be separated off and put to a different use.

Financially Feasible: The present improvements lend value to the property.

Maximum Profitability: In my opinion, the Highest and Best Use of the subject, **as improved**, is its present use as a Ski Area and Summer Theater plus 80.75 acres of additional land.

CORRELATION OF HIGHEST AND BEST USE

As If Vacant -	Rural Recreational/Residential
As Improved -	Ski Area with Theater plus additional land
Highest and Best Use -	Ski Area with Theater plus additional land

APPROACHES CONSIDERED WHEN ESTIMATING VALUE

In estimating the value of real estate, the real estate appraiser recognizes three standard approaches to value. They are the Sales Comparison Approach, the Income Approach, and the Cost Approach. The type of property being appraised, the purpose of the appraisal, and the adequacy and reliability of the data available in each of these approaches determines to a large extent the relative weight of importance given to each in arriving at the final conclusions of value.

There are many properties where all three approaches may be applied and where possible are used as a check against each other. Certain data relative to each of these three approaches is assembled by the appraiser, classified and interpreted in accordance with its relative importance. The three indications of value, one by each approach, are usually developed.

Then, these value indications are correlated into final conclusions of value. An appraisal report is prepared outlining the process used and the data and reasoning upon which the appraiser relied in arriving at this conclusion.

The three approaches to value are briefly outlined as follows:

I. COST APPROACH

The Cost Approach involves the sum total of the current costs of reproducing the property, less depreciation, from all sources; that is, physical, functional, and external obsolescence. The depreciated cost is then added to the estimated land value to obtain a total estimated value. The value estimated by this approach assumes the cost of reproduction sets the upper limit of value. It also assumes that a newly constructed building would have advantages over an existing building to the extent of the total depreciation from all causes. This approach is most applicable when new or proposed improvements are being considered.

II. SALES COMPARISON APPROACH

The value indicated by the Sales Comparison Approach is estimated by considering recent sales of the most nearly comparable properties in the market. It is based on the theory that property cannot be worth more than the cost of a similar property of like adequacy. Depending upon the number of qualified sales available, this approach is most reliable when considering vacant land or properties with older improvements.

III. INCOME APPROACH

The Income Approach requires the processing of income, usually by capitalization, to produce a value. The value estimated is supported by the projected earning power of the property. Predicated on the theory that value is the present worth of future benefits, this approach is given considerable weight when the projected income and expense estimates can be reasonably stabilized.

With the application of an Overall Capitalization Rate, or a factor, the total value of the property is indicated. By residual technique, the value of the land or improvements, as separate units, may be estimated by proper capitalization of that portion of the income imputable to each.

METHOD OF VALUATION

All three approaches to value were considered.

The COST APPROACH is used as it considers the estimated replacement cost of the structures less any loss due to age, condition, design, location or any other factor.

The SALES COMPARISON APPROACH is not used as limited sales were located of properties that could be put to a similar ski area, and summer theater use as the subject. The reliability of the Sales Comparison Approach is limited for valuing the subject.

The INCOME APPROACH is used as the subject is an income generating property. The Income Approach considers the income potential of the subject property.

The approaches to value used are then correlated and a value opinion is rendered.

COST APPROACH

SYNOPSIS

	<u>Replacement Cost New</u>	<u>Depreciated Value</u>
Improvements	\$ 1,735,600	\$ 705,400
Land Value	<u>233,200</u>	<u>233,200</u>
TOTAL	\$ 1,968,800	\$ 938,600
INDICATED VALUE BY COST APPROACH		\$ 938,600

TECHNIQUE

As previously stated, the Cost Approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. This is accomplished by estimating the cost to replace the improvements, adjusting the cost to reflect depreciation (physical, functional and economic obsolescence) and finally adding the land value to arrive at an estimate for the approach. This approach is particularly applicable to proposed construction.

APPLICATION

The cost of the improvements can be estimated in several ways. A reliable cost service can be used or a knowledgeable building contractor can accurately estimate the replacement cost. This appraiser used the Marshall-Swift Cost Service in this appraisal.

The estimate of accrued depreciation is the most difficult part of this approach, particularly when the improvements have passed middle age. The total accrued depreciation estimated by the appraiser is subtracted from the replacement cost new of the improvements. Obviously, the higher percent depreciation an appraiser must estimate, the greater are his chances of making an error with a resulting distortion in the final indicated value. For this reason, the value indicated by the Cost Approach tends to be more reliable on newer properties than older properties.

The land value was estimated based on sales of area properties. Replacement cost estimates were based on information obtained from Marshall and Swift Valuation Service and supplemented by local cost estimates. Depreciation was estimated based on inspection of the property. An estimated value for the subject was determined by adding the estimated value of the land to the estimated value of the improvements.

COST ESTIMATE

The next step in the Cost Approach is to estimate the construction costs new of the improvements as of the effective date of the appraisal. There are two theoretical alternative ways to measure the utility of the existing improvements through cost analysis: (1) Reproduction Cost and (2) Replacement Cost.

There is an important distinction between Reproduction Cost and Replacement Cost which is shown by the following definitions:

(1) **Reproduction Cost** is defined as "The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building."²

(2) **Replacement Cost** is defined as "The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout."³

For this appraisal the cost new of the subject improvements will be estimated by the **Replacement Cost** method. There are two types of costs that need to be considered and estimated; Direct and Indirect Costs.

Direct Costs are defined as the following; "Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*".⁴

Indirect Costs are defined as the following; "Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs; professional fees; financing costs and the interest paid on construction loans; taxes and the builder's or developer's all-risk insurance during construction; and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*".⁵

ESTIMATED DIRECT COSTS

The direct costs of the improvements can be estimated by one or a combination of the following methods:

1. Actual costs as supplied by the builder or owner.
2. Actual costs of recent, similarly constructed buildings.
3. Reliable cost service.

² Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

³ Ibid

⁴ Ibid

⁵ Ibid

4. Employing a building contractor knowledgeable in the construction of the subject building to supply a cost estimate.

The reliable cost service method is used to estimate the replacement cost of the subject. The Calculator Cost method from a nationally recognized cost service, *Marshall Valuation Service*, was used.

ESTIMATED INDIRECT COSTS

The Cost Estimate does not include the indirect costs associated with the construction of the subject property. Costs not included are indirect costs such as Architectural and Engineering Expenses; Appraisal, Legal and Accounting Expenses; Construction Loan Interest; Financing, Title and Closing Fees. Studies for other properties have indicated indirect costs are typically approximately five percent. An allowance for indirect costs of five percent is utilized.

ENTREPRENEURIAL PROFIT

Entrepreneurial Profit is defined as the following; “1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur’s compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. 2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called *entrepreneurial return* or *entrepreneurial reward*.”⁶

A search was done to determine Entrepreneurial Profit. No sales of similar properties were located in the area to indicate an entrepreneurial profit in the last several years. Due to the current economic times, developers do not expect to receive any Entrepreneurial Profit from the construction of new improvements. The incentive for the owner is the annual income stream from the use of the facilities and rental of equipment. Improvements similar to the subject typically are constructed for the business owner/operator, with no Entrepreneurial Profit expected or received from the construction of new improvements, beyond the contractor’s profit, which is already included in the direct costs. No Entrepreneurial Profit is included in the cost estimate.

⁶ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

DEPRECIATION

Generally speaking, there are three kinds of depreciation: Physical Deterioration, Functional Obsolescence and External Obsolescence. These general types can be broken down more precisely as follows:

PHYSICAL DETERIORATION

Physical Deterioration is the loss in value caused by physical wear and tear, through use and by age. It can be broken down into three categories: Curable Physical Deterioration, Incurable Physical Deterioration Short-Lived, and Incurable Physical Deterioration Long-Lived.

Curable Physical Deterioration: This is sometimes called deferred maintenance. It normally refers to repairs or replacements needed on the effective date of the appraisal. These items are curable as the cost to cure is less than or equal to the value added, or the cure will allow other items to maintain their value or utility.

Incurable Physical Deterioration Short-lived: This involves short-lived items that do not need to be replaced or repaired on the effective date of the appraisal but will need to be in the foreseeable future. Short-Lived Items are: “A building component with an expected remaining economic life that is shorter than the remaining economic life of the entire structure.”⁷ An Age/Life calculation is typically used to estimate Incurable Physical Deterioration to short-lived items.

Incurable Physical Deterioration Long-lived: This applies to all items not included in Curable Physical or Incurable Physical Short-lived. These are the long-lived items: “A building component with an expected remaining economic life that is the same as the remaining economic life of the entire structure.”⁸ They include the foundation, basement, frame, roof structure, etc. These items do not need replacing but are deteriorating slowly. An Age/Life calculation is typically used to estimate Incurable Physical Deterioration to long-lived items.

FUNCTIONAL OBSOLESCENCE

Functional Obsolescence is defined as: “The impairment of functional capacity of a property according to market tastes and standards.”⁹ Functional obsolescence can be broken down as curable and incurable.

⁷ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

⁸ Ibid

⁹ Ibid

Curable: Functional items are curable when they are reasonable and economic to cure. There are three kinds of curable functional obsolescence: a deficiency requiring an addition, a deficiency requiring substitution or modernization, and a superadequacy. Depreciation for each is measured as follows: A deficiency requiring an addition is measured by the excess cost to cure. A deficiency requiring substitution or modernization is measured by the depreciated cost of the existing item plus the excess cost to cure. A curable superadequacy is measured by the depreciated cost of the existing item plus the excess cost to cure.

Incurable: These are items that cannot be reasonably or economically corrected. There are two kinds of incurable functional obsolescence: a deficiency and a superadequacy. A deficiency is measured by the value of the loss less the cost if the item was installed new. A superadequacy is measured by the depreciated cost of the existing item plus the value of the loss.

EXTERNAL OBSOLESCENCE

External Obsolescence is defined as: “An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.”¹⁰ This is the loss in value from influences outside the property itself. It is rarely, if ever, curable. Commonly, it is caused by a change in neighborhood environment, legislation, inharmonious property uses, location in a low economic area, etc. External Obsolescence is basically a loss in value to real estate due to external influence or forces which are not within the property boundaries. External Obsolescence is measured by market extraction or the capitalized value of the actual rent loss due to the condition.

LODGE and BARN

Replacement cost was estimated using Average to Good Cost Class D Clubhouses, and Finished Basements – County Clubs from Section 11, pages 30 and 32, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost – Main Floor	\$ 102.07
Heating and Cooling	- 2.11
Floor Area/Perimeter (363 feet)	x 1.016
Current Cost Multiplier	x 0.99
Local Cost Multiplier	x 0.94
Direct Costs:	\$ 94.51
Indirect Cost Allowance (5%):	4.73
Replacement Cost Per Square Foot – Main Floor	\$ 99.24
Rounded to	\$ 99.00

¹⁰ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

Replacement Cost Per Square Foot – Main Floor	\$ 99.24
Times Log Construction Factor	<u>x 1.12</u>
Replacement Cost Per Square Foot – Log Construction	\$ 111.15
Rounded to	\$ 111.00

Replacement Cost Per Square Foot – Main Floor	\$ 99.24
Times Second Floor Factor	<u>x 0.92</u>
Replacement Cost Per Square Foot – Second Floor	\$ 91.30
Rounded to	\$ 91.00

Base Cost – Basement	\$ 69.03
Floor Area/Perimeter (363 feet)	x 1.016
Current Cost Multiplier	x 0.99
Local Cost Multiplier	<u>x 0.94</u>
Direct Costs:	\$ 65.27
Indirect Cost Allowance (5%):	<u>3.26</u>
Replacement Cost Per Square Foot - Basement	\$ 68.53
Rounded to	\$ 69.00

The replacement cost for the fireplace is based on Section 11, page 35, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Fireplace/Average/Custom/Two Story =	\$ 12,770
Current Cost Multiplier	x 0.99
Local Cost Multiplier	<u>x 0.94</u>
Direct Costs:	\$ 11,884
Indirect Cost Allowance (5%):	<u>594</u>
Replacement Cost	\$ 12,478
Rounded to	\$ 12,500

The replacement cost for the deck is based on Section 66, page 2, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3.

Decks: 2,080 sf @ \$10/sf = \$ **20,800**

ESTIMATED REPLACEMENT COST

Main Floor	3,525 sq. ft. @ \$99.00 =	\$	348,975
Log Construction	1,440 sq. ft. @ \$111.00 =	\$	159,840
Loft	330 sq. ft. @ \$91.00 =	\$	30,030
Basement	4,965 sq. ft. @ \$69.00 =	\$	<u>342,585</u>
Cost of Lodge and Barn		\$	881,430
Fireplace			12,500
Deck			<u>20,800</u>
Total		\$	914,730
Rounded to		\$	914,700

DORM

Replacement cost was estimated using Average Cost Class D Single-Family Residential from Section 12, pages 25 and 26, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost – Main Floor	\$	77.39
Heating and Cooling	+	2.55
Floor Area/Shape (1,050 square feet)	x	1.04
Current Cost Multiplier	x	1.01
Local Cost Multiplier	<u>x</u>	<u>0.94</u>
Direct Costs:	\$	78.93
Indirect Cost Allowance (5%):		<u>3.95</u>
Replacement Cost Per Square Foot – Main Floor	\$	82.88
Rounded to	\$	83.00

Replacement Cost Per Square Foot – Main Floor	\$	82.88
Times Second Floor Factor	<u>x</u>	<u>0.92</u>
Replacement Cost Per Square Foot – Second Floor	\$	76.25
Rounded to	\$	76.00

Base Cost – Semi-finished Basement	\$	35.36
Heating and Cooling	+	6.10
Floor Area/Shape (1,050 square feet)	x	1.04
Current Cost Multiplier	x	1.01
Local Cost Multiplier	<u>x</u>	<u>0.94</u>
Direct Costs:	\$	40.94
Indirect Cost Allowance (5%):		<u>2.05</u>
Replacement Cost Per Square Foot - Basement	\$	42.99
Rounded to	\$	43.00

ESTIMATED REPLACEMENT COST

Main Floor	1,050 sq. ft. @ \$83.00 =	\$	87,150
Second Floor	1,050 sq. ft. @ \$76.00 =	\$	79,800
Basement	1,050 sq. ft. @ \$43.00 =	\$	45,150
Total		\$	212,100

GIFT SHOP

Replacement cost was estimated using Average Cost Class D Single-Family Residential from Section 12, pages 25 and 26, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost – Main Floor	\$	77.39
Heating and Cooling	-	3.55
Floor Area/Shape (740/863 square feet)	x	1.025
Current Cost Multiplier	x	1.01
Local Cost Multiplier	x	0.94
Direct Costs:	\$	71.86
Indirect Cost Allowance (5%):		3.59
Replacement Cost Per Square Foot – Main Floor	\$	75.45
Rounded to	\$	75.50
Replacement Cost Per Square Foot – Main Floor	\$	75.45
Times Second Floor Factor	x	0.92
Replacement Cost Per Square Foot – Second Floor	\$	69.41
Rounded to	\$	69.00

The replacement cost for the porch is based on Section 66, page 2, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3.

Porch:	123 sf @ \$20/sf =	\$	2,460
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ESTIMATED REPLACEMENT COST

Main Floor	740 sq. ft. @ \$75.50 =	\$	55,870
Second Floor	863 sq. ft. @ \$669.00 =	\$	59,547
Cost of Building		\$	115,417
Porch			2,460
Total		\$	117,877
Rounded to		\$	117,900

THEATER

Replacement cost was estimated using Fair to Average Class D Pavilions from Section 16, page 23 of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost	\$	63.82
Floor Area/Perimeter (363 feet)	x	1.044
Current Cost Multiplier	x	1.05
Local Cost Multiplier	x	0.94
Direct Costs:	\$	65.76
Indirect Cost Allowance (5%):		3.29
Replacement Cost Per Square Foot	\$	69.05
Rounded to	\$	69.00

The replacement cost for the seating is based on Section 65, page 10, of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3.

Base Cost per Seat	\$	92.00
Current Cost Multiplier	x	1.01
Direct Costs:	\$	92.92
Indirect Cost Allowance (5%):		4.65
Replacement Cost per Seat	\$	97.57
Rounded to	\$	98.00

ESTIMATED REPLACEMENT COST

Cost of Building	5,550 sq. ft. @ \$69.00 =	\$	382,950
<u>Seating</u>	<u>450 seats @ \$98 each =</u>	\$	<u>44,100</u>
Total		\$	427,050
Rounded to		\$	427,000

SHOP

Replacement cost was estimated using Average Cost Light Commercial Equipment (Shop) Buildings Class D Pole from Section 17, page 13 of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost	\$	17.66
Floor Area/Perimeter (152 feet)	x	1.075
Current Cost Multiplier	x	1.04
Local Cost Multiplier	x	<u>0.94</u>
Direct Costs:	\$	18.56
Indirect Cost Allowance (5%):		<u>0.93</u>
Replacement Cost Per Square Foot	\$	19.49
Rounded to	\$	19.50

ESTIMATED REPLACEMENT COST

1,385 sq. ft. @ \$19.50 =	\$	27,008
Rounded to	\$	27,000

PUMP HOUSE

Replacement cost was estimated using Average Cost Tool Shed Class D from Section 17, page 12 of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost	\$	11.08
Floor Area/Perimeter (60 sq ft/32 feet)	x	2.16
Current Cost Multiplier	x	1.04
Local Cost Multiplier	x	<u>0.94</u>
Direct Costs:	\$	23.40
Indirect Cost Allowance (5%):		<u>1.17</u>
Replacement Cost Per Square Foot	\$	24.57
Rounded to	\$	24.50

Total Cost:	60 sq. ft. @ \$24.50 =	\$	1,470
	Rounded to	\$	1,500

ATTENDANT HOUSES

Replacement cost was estimated using Average Cost Tool Shed Class D from Section 17, page 12 of the *Marshall Valuation Cost Manual*. This is adjusted by the Current Cost Multiplier from Section 99, page 3 and the Local Cost Multiplier from Section 99, page 9 using Grand Forks, North Dakota as the base level.

Base Cost		\$	11.08
Floor Area/Perimeter (36 sq ft/24 feet)		x	2.20
Current Cost Multiplier		x	1.04
Local Cost Multiplier		x	<u>0.94</u>
Direct Costs:		\$	23.83
Indirect Cost Allowance (5%):			<u>1.19</u>
Replacement Cost Per Square Foot		\$	25.02
Rounded to		\$	25.00
Total Cost:	36 sq. ft. @ \$25.00 =	\$	900 each
	\$900 per buildings times six buildings =	\$	5,400

SITE IMPROVEMENTS

Septic System:		\$	10,000
Roads and parking areas:		\$	15,000
Miscellaneous:		\$	<u>5,000</u>
Total Site Improvements		\$	30,000

SUMMARY OF IMPROVEMENTS REPLACEMENT COST

Lodge and Barn	\$ 914,700
Dorm	212,100
Gift Shop	117,900
Theater	427,000
Shop	27,000
Pump House	1,500
Attendant Houses	5,400
Site Improvements	<u>30,000</u>
Replacement Cost of Improvements	\$1,735,600

DEPRECIATION

Depreciation is the loss in property value from any cause as of the date of the appraisal, or in other words, the difference between reproduction or replacement cost new and market value. Depreciation can be broken down into three basic areas: **Physical Deterioration, Functional Obsolescence and External Obsolescence.**

Physical Deterioration is the loss in value caused by the wearing out process of the improvements from everyday use and exposure to the elements. Physical deterioration can be broken down as curable and incurable.

Functional Obsolescence is the loss in value caused by defects in design or changes in structural standards and building materials. Functional obsolescence may be caused by a deficiency or a superadequacy and can be broken down as curable and incurable.

External Obsolescence is loss in value caused by negative influences from outside of the site. External obsolescence, sometimes called economic depreciation, can be caused by the economic or market conditions, neighborhood, location, governmental influences and other factors outside the site. External obsolescence is incurable.

Physical deterioration is reflected for the subject due to the wearing out of the buildings. After inspection of the buildings, considering the age and condition of the improvements, physical deterioration was estimated. **Functional obsolescence** is not reflected. **External obsolescence** is not reflected.

PHYSICAL DEPRECIATION

The Effective Age-Life method of calculating depreciation is utilized. Physical depreciation is calculated by dividing the effective age by the expected life to obtain a percentage.

$$\text{Effective Age} \div \text{Expected Life} = \text{Depreciation \%}$$

Expected life is estimated by using Section 97 of the *Marshall Swift Valuation Service*. Estimated effective age is based on the inspection of the building.

Lodge and Barn

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
40 years	27 to 36 years	20 years	$20 \div 40 = 50\%$

Dorm

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
55 years	unknown	45 years	$40 \div 55 = 73\%$

Gift Shop

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
55 years	unknown	45 years	$45 \div 55 = 82\%$

Theater

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
30 years	24 years	20 years	$20 \div 30 = 67\%$

Shop

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
25 years	30 years	15 years	$15 \div 25 = 60\%$

Pump House

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
15 years	unknown	7 years	$7 \div 15 = 47\%$

Attendant Houses

<u>Expected Life</u>	<u>Actual Age</u>	<u>Effective Age</u>	<u>Depreciation</u>
15 years	unknown	10 years	$10 \div 15 = 67\%$

Site Improvements

At same rate as the Lodge and Barn.

FUNCTIONAL OBSOLESCENCE

The subject suffers no apparent functional obsolescence.

ECONOMIC OBSOLESCENCE

The subject *as operated* suffers no apparent economic obsolescence.

CALCULATION OF DEPRECIATED VALUE**Lodge and Barn**

Replacement Cost	\$	914,700
Less Physical Depreciation (50%)	-	457,350
Depreciated Value	\$	457,350
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	457,350
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	457,350
Rounded to	\$	457,400

Dorm

Replacement Cost	\$	212,100
Less Physical Depreciation (73%)	-	154,833
Depreciated Value	\$	57,267
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	57,267
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	57,267
Rounded to	\$	57,300

Gift Shop

Replacement Cost	\$	118,700
Less Physical Depreciation (82%)	-	97,334
Depreciated Value	\$	21,366
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	21,366
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	21,366
Rounded to	\$	21,400

Theater

Replacement Cost	\$	427,000
Less Physical Depreciation (67%)	-	286,090
Depreciated Value	\$	140,910
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	140,910
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	140,910
Rounded to	\$	140,900

Shop

Replacement Cost	\$	27,000
Less Physical Depreciation (60%)	-	16,200
Depreciated Value	\$	10,800
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	10,800
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	10,800

Pump House

Replacement Cost	\$	1,500
Less Physical Depreciation (47%)	-	691
Depreciated Value	\$	795
Less Functional Obsolescence (0%)	-	0
Depreciated Value	\$	795
Less Economic Obsolescence (0%)	-	0
Depreciated Value	\$	795
Rounded to	\$	800

Attendant Houses

Replacement Cost	\$	5,400
Less Physical Depreciation (67%)	-	<u>3,618</u>
Depreciated Value	\$	1,782
Less Functional Obsolescence (0%)	-	<u>0</u>
Depreciated Value	\$	1,782
Less Economic Obsolescence (0%)	-	<u>0</u>
Depreciated Value	\$	1,782
Rounded to	\$	1,800

Site Improvements

Replacement Cost	\$	30,000
Less Physical Depreciation (50%)	-	<u>15,000</u>
Depreciated Value	\$	15,000
Less Functional Obsolescence (0%)	-	<u>0</u>
Depreciated Value	\$	15,000
Less Economic Obsolescence (0%)	-	<u>0</u>
Depreciated Value	\$	15,000

SUMMARY OF DEPRECIATED VALUE

Lodge and Barn	\$	457,400
Dorm		57,300
Gift Shop		21,400
Theater		140,900
Shop		10,800
Pump House		800
Attendant Houses		1,800
Site Improvements		<u>15,000</u>
Total Depreciated Value	\$	705,400

LAND VALUE ANALYSIS

SYNOPSIS

The subject contains approximately 172.75 acres of area. The estimated market value for the site is \$1,350 per acre including special assessments, or:

172.75 Acres @ \$1,350/ac = \$ 233,213

ESTIMATED MARKET VALUE OF LAND \$ **233,200**

TECHNIQUE

The technique used for this approach is best described as the five-step procedure in the following excerpt from The Appraisal of Real Estate, Thirteenth Edition, pages 301-302.

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Consider the characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints. The goal is to find a set of comparable sales as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property and the market so that comparisons are credible.
3. Select the most relevant units of comparison in the market (e.g., price per acre, price per square foot, price per front foot) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.
4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.
5. Reconcile the various value indications produced from the analysis of comparables to a value bracket and then to a single value indication.

APPLICATION

Limited sales were located in the immediate area of the subject. Research of land sales in Cavalier and Pembina County in the subject area was conducted. The sales which were considered comparable have been included in the Addendum. They have been compared to the subject to compensate for differences. Price per acre was used as the unit of comparison. The grid below summarizes the sales information and indicates how the subject is considered in relation to the comparable sales.

ANALYSIS TECHNIQUE

Available market data may allow for quantitative adjustments for those factors that can be quantified or qualitative adjustments for those that can't. Qualitative adjustments are made by ranking the sale data to their degree of similarity to the subject property. While both techniques produce a bracketed range of value indications, the qualitative analysis recognizes inefficiencies in the market and further recognizes the difficulty in making precise adjustments when comparing the sale data to the subject property. This analysis tends to be more consistent with actual market practice, and therefore is the preferred method used in this report.

LAND VALUE GRID

<u>Sale</u>	<u>Date</u>	<u>Size (Acres)</u>	<u>Sale Price</u>	<u>\$/Acre</u>	<u>Location</u>
<u>1</u>	Aug-12	192.27	\$380,000	\$1,976	Hope Township
<u>2</u>	Aug-12	120.00	\$138,000	\$1,150	Hope Township
<u>3</u>	Nov-09	50.63	\$55,000	\$1,086	Fremont Township
<u>4</u>	Nov-08	159.51	\$171,200	\$1,073	Fremont Township
Subject	Oct-12	172.75			North Olga Township

ELEMENTS OF COMPARISON

Elements of comparison are the characteristics of properties and transactions that cause the prices paid for real estate to vary. The appraiser considers and compares the differences between the comparable properties and the subject property that could affect their values. Adjustments for differences are made to the price of each comparable property to make the sales equal to the subject on the date of the appraisal. Adjustments for differences in elements of comparison may be made to the total property price or to a common price unit, but the price units used must be consistently applied to the subject and comparable properties.

For vacant rural land, the typical price unit is price per acre. Price per acre is used. The amount of adjustment made for each element of comparison depends on the extent to which each comparable property differs from the subject property. Appraisers should consider all appropriate elements of comparison and avoid adjusting for the same difference more than once.

There are eight common elements of comparison that should be considered in land sales comparison analysis.

1. **PROPERTY RIGHTS CONVEYED**
2. **FINANCING TERMS**
3. **CONDITIONS OF SALE**
4. **SPECIAL ASSESSMENTS ASSUMED**
5. **EXPENDITURES AFTER PURCHASE**
6. **MARKET CONDITIONS (TIME)**
7. **LOCATION**
8. **PHYSICAL CHARACTERISTICS**

1. The **PROPERTY RIGHTS CONVEYED** in all the sales is fee simple, which is the same interest valued in the subject property; thus, no adjustment is needed.
2. **FINANCING TERMS** were cash or terms considered equal to cash; thus, no adjustment is made for financing terms.
3. **CONDITIONS OF SALE** – Sales 1 and 2 were purchased at an auction. Multiple bidders bid on the properties. The purchaser of Sales 3 and 4 was a North Dakota State government agency. The sale price was based on appraisal and the sellers did not have to sell the property. After analysis no adjustment is needed.
4. **SPECIAL ASSESSMENTS ASSUMED** - No adjustment is needed.
5. **EXPENDITURES AFTER PURCHASE** - No adjustment is needed.

6. **MARKET CONDITIONS** - The date of sale to date of value varies from November 2008 to September 2012. After analysis a 10 percent upward adjustment to Sales 3 and 4 for time or market conditions is felt appropriate.
7. **LOCATION - Geographic/Market Area:** The factor of location, like other differences, is a difficult factor to call or estimate. The subject and sales are all in the same general area. No adjustment is made.
8. **PHYSICAL CHARACTERISTICS** - The major items under physical characteristics are topography, size, cover and other features.
 - a. **TOPOGRAPHY** - The subject is gentle to steeply sloping. The sales are level to sloping. Sale 1 has superior topography to the other sales and the subject. After considering other adjustments, a downward 15 percent adjustment to Sale 1 is made.
 - b. **SIZE** - Sales 1, 2, and 4 are similar in size to the subject. Sale 3 is smaller in size than the subject. After analysis, no adjustment is needed.
 - c. **COVER** – Sale 1 is mostly open land. Sale 2 has a mixture of wooded and open land. Sales 3 and 4 are wooded land only. After analysis a downward 15 percent to Sale 1; and an upward 15 percent to Sales 2, 3, and 4 is made.
 - d. **OTHER FEATURES** – No adjustment is needed.
9. **ZONING** - The subject and sales are considered similar; no adjustment is made.

LAND SALES ADJUSTMENT GRID

Sale	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Date of Sale	Aug-12	Aug-12	Nov-09	Nov-08
Sale Price	\$380,000	\$138,000	\$55,000	\$171,200
Size/Acres	192.27	120.00	50.63	159.51
Price per Acre	\$1,976	\$1,150	\$1,086	\$1,073
<u>Adjustments Considered</u>				
(1) Property Rights				
(2) Financing Terms				
(3) Conditions of Sale				
(4) Special Assessments				
(5) Expenditures after Sale				
(6) Market Conditions			\$5,500	\$17,120
(7) Location				
Adjusted Sales Price	\$380,000	\$138,000	\$60,500	\$188,320
Adjusted Price per Acre	\$1,976	\$1,150	\$1,195	\$1,181
(8) Physical Characteristics				
(A) Topography	-\$296			
(B) Size				
(C) Cover	-\$296	\$173	\$179	\$177
(D) Other Features				
(9) Zoning				
Estimated Value	\$1,384	\$1,323	\$1,374	\$1,358

CORRELATION OF LAND VALUE

The sales indicate a range from \$1,323 to \$1,384 per acre. The mid-point of the range is \$1,353 per acre. The average is \$1,359 per acre. The median is \$1,366 per acre. Sales 1 and 4 are the closest in size to the subject. Sale 2 is closest in location. Sales 1 and 2 are the most recent.

All the Sales are given some weight. Based on the sales located, a value of \$1,350 per acre is determined.

Land Value - \$1,350 per acre.

172.75 Acres @ \$1,350/ac = \$233,213

MARKET VALUE OF LAND **\$233,200 (rounded)**

CORRELATION OF COST APPROACH

Improvements	\$ 705,400
Land	<u>\$ 233,200</u>
TOTAL	\$ 938,600
 INDICATED VALUE BY COST APPROACH	 \$ 938,600

INCOME APPROACH

SYNOPSIS

INDICATED VALUE BY THE INCOME APPROACH (As Operated)	\$1,070,000
With Management and Reserve	\$341,000

TECHNIQUE

The Income Approach is a procedure where anticipated benefits (income or amenities, primarily cash flows and reversion) to be derived from the ownership of property are converted into an indication of value. Two techniques are available to the appraiser for this conversion process: Direct Capitalization where one year's income expectancy can be capitalized at a market-derived capitalization rate, and a Discounted Cash Flow Analysis where the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Direct Capitalization is defined as: "A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified."¹¹

Discounted Cash Flow (DCF) Analysis is defined as: "The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate."¹²

The major income component of the appraised property includes the annual income from the rent (net operating income) and the income from the future resale of the property. These amenities can be discounted at an appropriate rate to provide an indication of the subject's value.

Discount is: "Conversion of benefits received in the future (e.g., periodic incomes, cash flows, reversion) to present value."¹³

APPLICATION

The Income Approach is given strong consideration when appraising income-producing properties. The Direct Capitalization Method is used to estimate the value of the subject. The more detailed DCF is not required.

¹¹ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

¹² Ibid

¹³ Ibid

The capitalization process requires an estimate of the annual net operating income from the property, and an estimate of the appropriate capitalization rate.

Net Operating Income (NOI) is the annual income remaining after deducting all the fixed and operating expenses but before deducting financial charges, such as recapture or debt service. It is determined by considering potential revenues (rent) and deducting expenses incurred under prudent operation of the appraised property. The scarcity of truly comparable information may indicate a market tendency to owner occupancy. Market rent is estimated by researching the market area and determining what going rentals are. Contract rent is the present rent which a property enjoys. At times contract rent and market rent are the same; at other times they differ.

RENT

Rent is defined as: "An amount paid for the use of land, improvements, or a capital good."¹⁴

MARKET RENT

Market Rent for real estate is defined as: "The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."¹⁵

RENT DISCUSSION

The subject property currently generates income from the sale of lift tickets, rental of downhill ski, snowboarding, and snow tubing equipment, and ski lessons, plus food and beverage sales during the winter. In addition, the subject generates revenue from the sale of theater tickets and related retail items, plus food and beverage sales during the summer.

The typical ski season is from late November to March depending on weather. The theater has shows typically from late June thru early August.

The 2012 and 2013 rates are listed on the following grid.

¹⁴ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

¹⁵ Ibid

2012-2013 Rental Rates

Lift Ticket Prices

Adult	\$39.00
Child	\$29.00
5 & under	Free

Ski & Snowboard Rental

Adult	\$26.00
Child	\$21.00

Season Pass Prices

Adult	\$400.00
Child	\$250.00
Family - 2 person	\$500.00
Family - 3 person	\$600.00
Family - 4 person	\$700.00
Family - 5 person	\$800.00
Family - 6 person	\$900.00

**10% discount applied if purchased by 9-30-12*

Ski School Rates - per 1.5 hours

Group Lessons	\$20.00
Private Lessons	\$25.00
Snowboarding Lessons	\$30.00

Hours of Operation	9:30am-4:30pm
Months of Operation	November thru March

Days of Operation

Early Season	Open Saturday & Sunday Only
Holiday Season	December 22 thru January 6 Open Every Day
Late Season	January 10 thru March 30 Thursday thru Sunday

COMPETITIVE RATES

Limited rental information was located in the area. Rental information for similar facilities was located. The grids on the following pages summarize the information located. The subject rates are competitive to the rates of other facilities and are considered reasonable.

The income for the subject over the last several years is listed below.

	2011	2010	2009	2008	2007	Average
Gross Receipts	\$426,739	\$536,191	\$439,585	\$474,095	\$527,396	\$480,801

The income has varied over the last several years due to the weather conditions and the success of the summer theater. Rates have increased slightly over the years. Currently gross receipts of \$429,459 have been indicated for 2012 year to date (September). The theater had a good year due to the popularity of performance presented. The 2012-2013 lift rates indicate an increase of 11 percent from 2011-2012 rates. Estimated income of 10 percent above the average is considered reasonable and used.

Average Gross Receipts	\$480,801
Plus 10%	\$48,080
Total Gross Receipts	\$528,881
Rounded to	\$528,900

Gross Annual Receipts: \$528,900

COST OF GOODS SOLD

The following grid summarizes the Cost of Goods sold from 2007 to 2011.

	2011	2010	2009	2008	2007	Average
Gross Receipts	\$426,739	\$536,191	\$439,585	\$474,095	\$527,396	\$480,801
Cost of Goods Sold	\$42,384	\$45,950	\$42,290	\$43,370	\$46,997	\$44,198
Percent of Gross	9.93%	8.57%	9.62%	9.15%	8.91%	9.19%

The Cost of Goods Sold has ranged from \$42,290 to \$46,997 or 8.57 percent to 9.93 percent of Gross Receipts over the last several years. The average cost of goods sold is \$44,198 which equals 9.19 percent of the average gross receipts. Based on this, Cost of Goods Sold is estimated to be 9 percent of Gross Annual Receipts.

Total Gross Receipts	\$528,900
Cost of Goods Sold (9%)	\$47,601
Rounded to	\$47,600

Cost of Goods Sold: \$47,600

OPERATING EXPENSES

Operating Expenses include both fixed and variable expenses plus a replacement allowance. Fixed Expenses do not vary with the occupancy of the property and are paid whether the property is occupied or vacant. Variable Expenses vary with the occupancy of the property. The Replacement Allowance is “An allowance that provides for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building's economic life.”¹⁶ Fixed expenses for the subject include real estate taxes and building insurance. Variable expenses for the subject include management, general operating expenses and a reserve for replacement of major building improvements.

REAL ESTATE TAXES

The real estate taxes are included in the expenses reported. An additional expense for real estate taxes is not required.

BUILDING INSURANCE

The building insurance was included in the operating expenses reported. An additional expense for insurance is not required.

MANAGEMENT FEE

A rate for management needs to be considered. The expense for management of the operation needs to be included. No additional expense for a management fee was included in the operating expenses reported. A fee of \$41,600 for a management salary is determined considering 40 hours per week at \$20 per hour for 52 weeks per year. This equates to approximately eight percent of Gross Revenues. Local information indicates an average salary of \$44,161 for professional and technical service in the area. Research in the region indicated management fees for managing commercial real estate are typically between three to seven percent of rent received, depending on the property. Properties like the subject require more time and effort to manage than most commercial properties. The manager of another ski area similar in size to the subject indicated that a management salary from \$30,000 to \$60,000 would be typical for similar operations. A management fee of \$41,500 is considered reasonable and used.

Management Fee: \$41,500

¹⁶ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

ANNUAL EXPENSE DATA

Year	2011	2010	2009	2008	2007
Advertising	\$25,692	\$21,577	\$21,429	\$19,799	\$24,416
Auto Expense	\$0	\$0	\$0	\$0	\$0
Insurance	\$22,751	\$23,511	\$21,865	\$25,958	\$29,121
Payroll	\$0	\$0	\$0	\$0	\$0
Contract Labor	\$3,590	\$8,029	\$600	\$0	\$5,800
Theater	\$18,426	\$47,083	\$24,291	\$23,476	\$11,724
Workers Comp	\$540	\$2,478		\$739	\$1,300
Taxes and Licenses	\$36,537	\$36,536	\$37,170	\$45,189	\$42,339
Salaries and Wages	\$97,748	\$96,680	\$108,119	\$93,714	\$113,225
Purchases (Merchandise)	\$0	\$0	\$0	\$0	\$0
Accounting and Legal Fees	\$725	\$566	\$1,675	\$1,500	\$481
Utilities - REA	\$27,148	\$58,301	\$39,776	\$48,133	\$53,852
Telephone	\$8,809	\$0	\$0	\$0	\$0
Repairs and Maintenance	\$27,080	\$44,436	\$38,885	\$77,718	\$62,602
Resale	\$0	\$0	\$0	\$864	\$167
Travel	\$2,463	\$4,676	\$319	\$900	\$400
Meals and Entertainment	\$444	\$808	\$0	\$600	\$200
Fuel	\$17,762	\$21,628	\$8,826	\$21,789	\$5,967
Office Supplies	\$15,540	\$11,209	\$7,562	\$6,083	\$9,108
Other	\$0	\$0	\$2,406	\$6,700	\$2,241
Total Expenses	\$305,255	\$377,518	\$312,923	\$373,162	\$362,943
Expense Ratio (% of Adjusted Gross)	79.33%	76.87%	78.76%	86.64%	75.55%

ESTIMATED OPERATING EXPENSES

Income and expense information for 2007 thru 2012 (year to date) was provided for the operation. The expenses (on the previous page), excluding rent from the property owners to the business entity, amortization, depreciation, and interest expenses, were reported for the subject for the last five years.

The expenses indicated an expense ratio from 75.55 percent to 86.64 percent for the last five years. The average is 79.4 percent. Based on this, annual expenses of 80 percent are considered reasonable and are used. Expenses are estimated based on 80 percent of the estimated gross income.

REPLACEMENT ALLOWANCE

A replacement allowance for the replacement and repair of major building and improvements such as roofing, parking lot, mechanical, electrical, heating, ventilation and cooling (HVAC), plus equipment needs to be considered. The reported expenses include repairs and maintenance, which includes the replacement of some improvements and equipment. Discussions with the current owners indicated that there are no capital improvements that are anticipated to need replacement in the near future. Commercial building owners and managers typically are setting aside a replacement allowance of 0 percent (none) to 10 percent of gross income. An allowance of five percent of gross income, which is near the midpoint of the range, is felt appropriate. A replacement allowance of 5 percent of gross income is added to the expense estimate of the subject.

Replacement Allowance: 5%

CORRELATION OF INCOME AND EXPENSES

Without Management Fee and Reserve (As Operated)

Gross Receipts		\$528,900
Cost of Goods Sold	9%	\$47,600
Total Gross Income		\$481,300
Adjusted Expenses	80%	\$385,040
Net Income		\$96,260
Rounded to		\$96,300

Net Income: \$96,300

With Management Fee

Gross Receipts		\$528,900
Cost of Goods Sold	9%	\$47,600
Total Gross Income		\$481,300
Management Fee		\$41,500
Operation Expenses	80%	\$385,040
Reserve for Replacement	5%	\$24,065
Net Income		\$30,695
Rounded to		\$30,700

Net Income: \$30,700

CAPITALIZATION RATE

The band of investment can be a suitable tool for estimating capitalization rates. The rate developed is a weighted average of the return on investment required to provide a competitive equity return and provide for mortgage debt service.

Conventional mortgage terms for commercial properties are presently offered at 4% to 6% fixed for three to seven years with a loan to value ratio of 70% to 80%, an amortization period of 15 to 25 years and monthly payments. Ski areas tend to be seasonal properties and are considered higher risk and therefore typically have a higher interest rate and more conservative terms. After discussions with a commercial lender, the following loan terms are considered: 5% interest, fixed for 5 years, amortized over 15 years with a loan to value ratio of 70%.

According to the PwC Real Estate Investor Survey, *Second Quarter 2012*, published by the Appraisal Institute, Overall Cap Rates from 3.75 to 12 percent, with an average from 5.76 to 7.33 percent on all cash transactions were indicated nationally during the second quarter of 2012. The subject is a higher risk property. A rate above the mid-point of the range is considered appropriate. An equity rate of return of 8 percent is estimated. The following is the Band of Investment calculation:

<u>Source of Capital</u>	<u>Portion</u>	x	<u>Cash Flow Rate</u>	=	<u>Weighted Rate</u>
Mortgage Loan	.7000	x	.0949*	=	.0664
Equity Funds	<u>.3000</u>	x	.08	=	<u>.0240</u>
	1.000				.0904

Rounded to: 9%

*Annual constant for 5%, 15 years, monthly payments.

The mortgage equity band of investment indicates a capitalization rate of 9 percent.

CAPITALIZATION RATES FROM SALES

A study of Capitalization Rates for Resorts was made. Resorts are considered to be similar in risk to ski areas due to typically being seasonal in nature and dependant on favorable weather conditions.

<u>Sale</u>	<u>Overall Rate</u>
A	11.9%
B	8.5%
C	8.0%
D	9.6%
E	7.7%
F	8.7%
G	8%
H	7.5%
I	11.7%

The above information was received from county courthouse records and parties involved in the sales. The sales are not identified in the report due to confidentiality. Additional information is located in the appraiser's file.

All the sales sold in the last five years. A range from 7.5% to 11.9% for cap rates is indicated. The midpoint of the range is 9.7 percent. The average is 9.1 percent. The subject has had a reasonable operating history. A rate near the average is considered appropriate. Considering this and the cap rate indicated by the mortgage equity band of investment, a Cap Rate of 9 percent is considered reasonable and is used.

Capitalization Rate: 9%

DIRECT CAPITALIZATION

With Management Fee

<u>Net Income</u>	÷	<u>Capitalization Rate</u>	=	<u>Value</u>
\$30,700	÷	9%	=	\$341,111
VALUE BY INCOME APPROACH:				\$341,000 (rounded)

Without Management Fee and Reserve (As Operated)

<u>Net Income</u>	÷	<u>Capitalization Rate</u>	=	<u>Value</u>
\$96,300	÷	9%	=	\$1,070,000
VALUE BY INCOME APPROACH:				\$1,070,000

CORRELATION AND FINAL VALUE

COST APPROACH (Real Estate Only with 172.75 acres)	\$938,600
SALES COMPARISON APPROACH	Not Used
INCOME APPROACH (Real Estate and FF & E)	\$341,000
(As Operated)	\$1,070,000

In the COST APPROACH the estimate of land value is based upon a consideration of market sales of similar type land and the estimate of cost and depreciation are processed into a reasonable estimate of value. The subject is an older property which makes depreciation harder to determine. The reliability of the Cost Approach is considered average. The Cost Approach included real estate only and does not include the furniture, fixtures, and equipment (FF & E). No Economic Obsolescence was reflected in the Cost Approach as it considered the property as operated without deducting management and reserves. If the cost of management (for the owners input) and reserves is included, Economic Obsolescence would need to be reflected.

The INCOME APPROACH is based upon the current annual income. Income is converted to value by deducting expenses and capitalization of net income. The cap rate is based on a band of investment and a capitalization rate study. Limited information was located. The reliability of the Income Approach is considered reasonable as it is based on the current income.

Normally, most weight is given to the Market and Income Approaches in the final value estimate, but on new or near new properties or special purpose properties, the Cost Approach is given equal or greater weight.

The Income Approach is given most weight as it considers the income the subject can generate. The Cost Approach provides support. The Cost Approach included the additional 80.75 acres of land. The Income Approach considered only the 92 acres utilized by the improved Ski Area and Theater.

Value of Additional Land

The land value determined in the Cost Approach was \$1,350 per Acre. Based on this the additional land has the following contributor value:

$$80.75 \text{ Acres @ } \$1,350/\text{ac} = \$109,013$$

Market Value of Additional Land: \$109,000 (rounded)

Value of Furniture, Fixtures, and Equipment

The property owner provided a list of the existing furniture, fixtures, and equipment (FF&E). Refer to the list in the addendum.

Value as Operated: The value of the FF&E is allocated after deducting the depreciated value of the improvements from the cost approach from the total indicated value.

Value of Real Estate Improvements from Cost Approach	\$705,400
Plus Land Value (92 acres @ \$1,350 per acre):	124,200
<u>Total Value of Real Estate</u>	<u>\$829,600</u>
Total Value As Operated	\$1,070,000
Less Total Value of Real Estate	829,600
<u>Value of Furniture, Fixtures, and Equipment (As Operated):</u>	<u>\$240,400</u>

Market Value: The value of the FF&E allocated in the Value as Operated is approximately 22 percent of the total value. ($\$240,400 \div \$1,070,000 = 0.22$) This percentage is used to allocate the FF&E.

Total Market Value	\$341,000
Times 22 percent	x 22%
<u>Value of Furniture, Fixtures, and Equipment</u>	<u>\$75,020</u>
Rounded to:	\$75,000
Total Market Value	\$341,000
<u>Less Value of Furniture, Fixtures, and Equipment</u>	<u>75,000</u>
Total Market Value of Real Estate	\$266,000

Note: Without the Furniture, Fixtures, and Equipment (FF&E) the subject property cannot operate and would have a lower value. The operation needs furniture, linens, and other items of personal property to allow for the residence to be used. The reception area needs equipment, tables, chairs, and other personal property to be operated.

ALLOCATION OF VALUE

Without Management Fee and Reserve (As Operated)

Improved Real Estate with 92 acres:	\$829,600
Furniture, Fixtures, and Equipment:	240,400
80.75 acres of Extra Land:	109,000
Total Value as Operated	\$1,179,000

Note: A potential purchaser would consider an allowance to cover the cost of paying for the management of the property and consider an allowance for a replacement reserve. The current operators indicated that they do not receive a salary for their time and management of the property. They also do not set aside an allowance for a replacement reserve. Their compensation is the balance remaining each year after all operating expenses are covered including any replacement of improvements is made. This is typical for smaller operations similar to the subject property.

With Management Fee and Reserve

Improved Real Estate with 92 acres:	\$266,000
Furniture, Fixtures, and Equipment:	75,000
80.75 acres of Extra Land:	109,000
Total Market Value	\$450,000

Note: The valuation is subject to the Extraordinary Assumptions and Hypothetical Condition contained on Pages 5 thru 7 of this report.

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SUBJECT PHOTOGRAPHS



Signage at Entrance to Frost Fire Mountain



Entry Road – Looking South

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



County Road 55 – Looking West



County Road 55 – Looking Easterly

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Entrance Road -- Looking North



Parking Area

Frost Fire Ski & Snowboard Area -- Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Site Road to Dormitory and Shed– Looking East

SUBJECT PHOTOGRAPHS



Double Chair Lift



View from Lodge down OLD MAN'S BEARD Run

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



View Down OLD MAN'S BEARD Run



View Up OLD MAN'S BEARD Run – Looking West to the Lodge

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Map of Frost Fire Mountain's Runs



Triple Chair Lift

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



View Down PRAIRIE SMOKE Run



Dragon's Mouth Terrain Park

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Chicory



Snow Making Equipment

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Front View of Lodge Building – Looking West



View of Lodge Building and Barn – Looking Southwesterly

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



View of Lodge from Barn



View of Deck Surrounding Lodge and Barn

SUBJECT PHOTOGRAPHS



Front View of Barn – Looking South

SUBJECT PHOTOGRAPHS



Rear of Barn and Addition to Lodge Building – Looking Northeasterly

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Front View of Hattie's Gift Shop



Side View of Hattie's Gift Shop

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



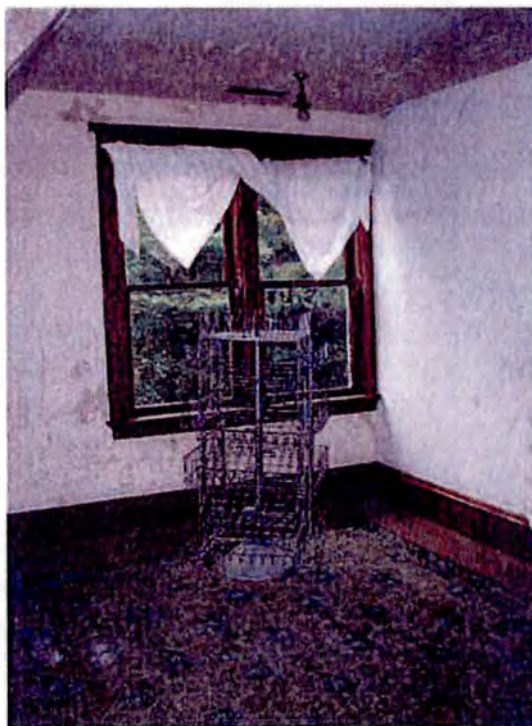
Main Floor



Main Floor

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Upper Level

SUBJECT PHOTOGRAPHS

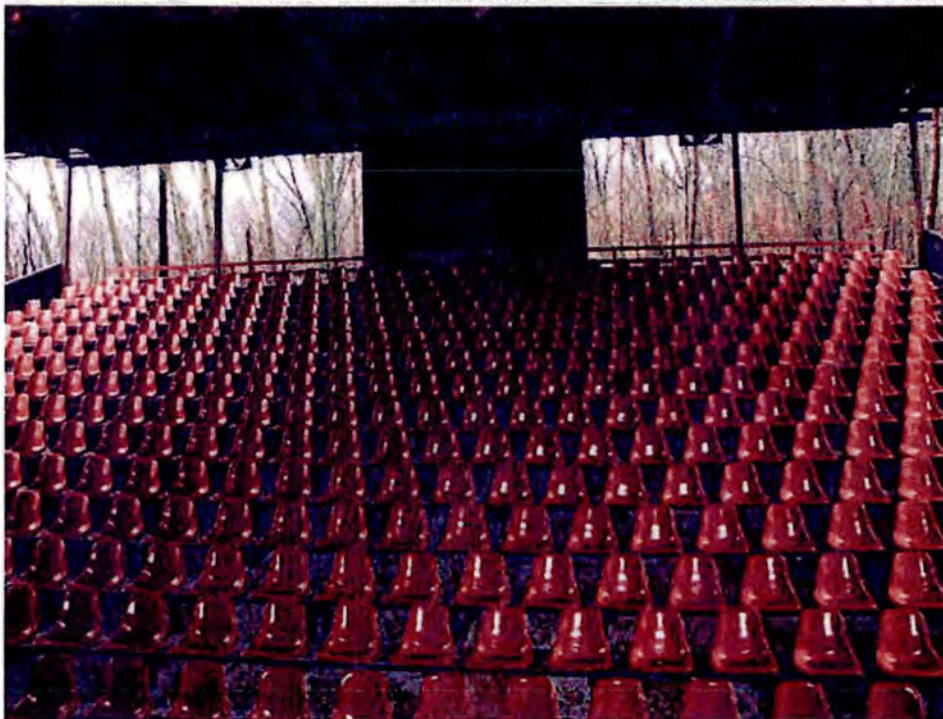


Carriage House
(To be removed by current property owners)

SUBJECT PHOTOGRAPHS



Amphitheater Stage Area



Amphitheater Seating Area

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Amphitheater Lighting and Ceiling



Lighting/Sound Control Booth

SUBJECT PHOTOGRAPHS



Front View of Dorm Building – Looking Northerly



Rear View of Dorm Building – Looking Southwesterly

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Main Floor Living Room



Typical Sleeping Area

SUBJECT PHOTOGRAPHS



Kitchen



Basement

SUBJECT PHOTOGRAPHS



Front View of Shop



Interior of Shop

Frost Fire Ski & Snowboard Area – Near Walhalla, ND
Taken October 18, 2012 By Brian R. Tinjum, MAI

SUBJECT PHOTOGRAPHS



Front View of Residence – Building Excluded from Appraisal

SUBJECT LEGAL DESCRIPTION

That part of Section Thirty (30), Township One Hundred Sixty-three (163), Range Fifty Seven (57), Cavalier County (North Olga Township), North Dakota, described as follows:

Tract 1:

The Northwest Quarter of the Southeast Quarter ($NW\frac{1}{4}SE\frac{1}{4}$) of Section Thirty (30), Township One Hundred Sixty-three (163), Range Fifty-seven (57), except any road, or right-of-way, across said land previously sold to County or Township; ALSO, all that part of the Southwest Quarter of the Northeast Quarter ($SW\frac{1}{4}NE\frac{1}{4}$) of Section Thirty (30), Township One Hundred Sixty-three (163), Range Fifty-seven (57), lying South of Cavalier County Highway No. 55; ALSO, all that part of the Northeast Quarter of the Southeast Quarter ($NE\frac{1}{4}SE\frac{1}{4}$) of Section Thirty (30), Township One Hundred Sixty-three (163), Range Fifty-seven (57), lying West of the Township road which presently crosses said tract in a generally North-South direction; subject however to the reservation by one, Clara M. Peterson, of a life estate in and to all minerals located upon that part of the $NE\frac{1}{4}SE\frac{1}{4}$ of Sec. 30, Twp. 163, Rge. 57, described above.

Tract 2:

North Half of the Northeast Quarter of the Southwest Quarter ($N\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$); Southeast Quarter of the Northeast Quarter of the Southwest Quarter ($SE\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$); East Half of the East Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter ($E\frac{1}{2}E\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$); North Half of the West Half of the East Half of the Southwest Quarter of the Northeast Quarter of the Southwest Quarter ($N\frac{1}{2}W\frac{1}{2}E\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}SW\frac{1}{4}$); and all that portion of the Southeast Quarter of the Northwest Quarter ($SE\frac{1}{4}NW\frac{1}{4}$) lying south of County Highway #55; All located in Section Thirty (30), Township One Hundred Sixty-three North (163N), Range Fifty-seven West (57W) of the Fifth Principal Meridian.

The following is excluded from Tract 2:

A tract of land located in the NE1/4SW1/4 of Section 30, Township 30 N, Range 57W of the 5th P.M., Cavalier County, North Dakota, described as follows: Commencing at the found BLM corner at the NE corner of the NW1/4 of said Section 30; thence South 00°09'44" East, along the quarter line, for a distance of 2,990.00 feet to the point of beginning of the tract to be described; thence South 89°50'16" West for a distance of 180.00 feet; thence, South 00°09'44" East for a distance of 288.00 feet; thence, North 68°03'24" East for a distance of 157.00 feet; thence, North 08°25'49" East for a distance of 80.00 feet; thence, North 64°17'52" East for a distance of 24.68 feet, more or less to the point of beginning. Said tract of land containing 1.00 acres, more or less and subject in all easements of record. Access is provided to this property along the following described Ingress/Egress Easement.

Ingress/Egress Easement Description to Parcel "A": A strip of land located in the SW1/4NE1/4 and the NW1/4SE1/4 of Section 30, Township 163N, Range 57W of the 5th P.M., Cavalier County, North Dakota, described as follows: Commencing at the found BLM corner at the NE corner of the NW1/4 of said Section 30; thence South 00°09'44" East, along the quarter line, for a distance of 2,175.11 feet, thence, North 89°50'16" East for a distance of 205.10 feet to the point of beginning of the Ingress/Egress Easement to be described, which point is within the Right of Way of Cavalier County Road No. 55; thence, 16.5 feet on either side of the following described centerline: thence, along a curve to the right with a Radius of 396.01 feet. Delta Angle of 52°16'13", Chord Bearing of South 19°20'47", Chord Length of 348.87 feet, for a distance along the curve of 361.27 feet to the point of reverse curve (PRC); thence, along a tangential curve to the left, with a Radius of 134.92 feet, Delta Angle of 99°10'28" for a distance of 233.54 feet to the PRC; thence, along a tangential curve to the right, with a Radius of 91.92 feet, Delta Angle of 87°45'24" for a distance of 140.79 feet; thence, along the tangent on a bearing of South

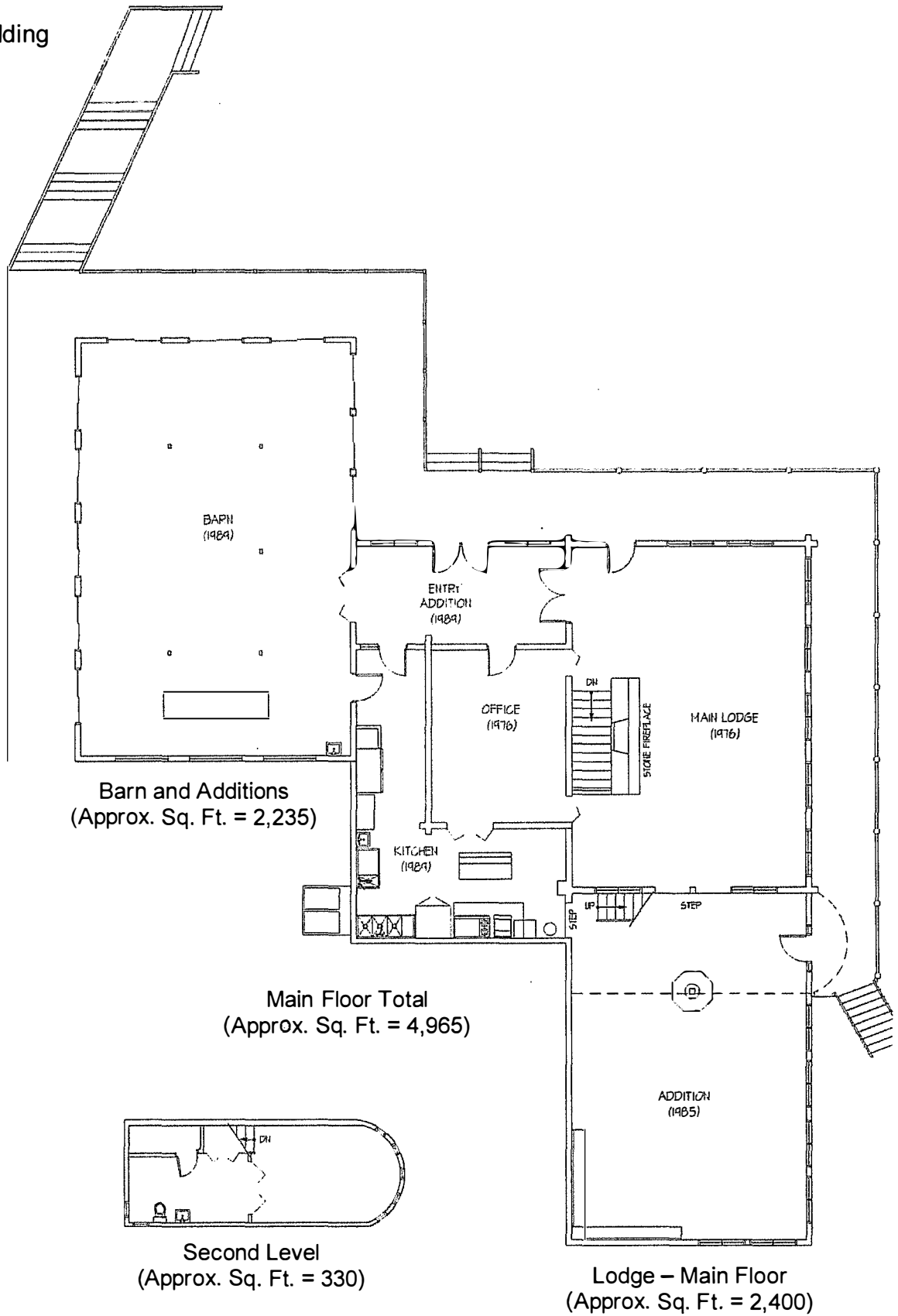
Tract 3:

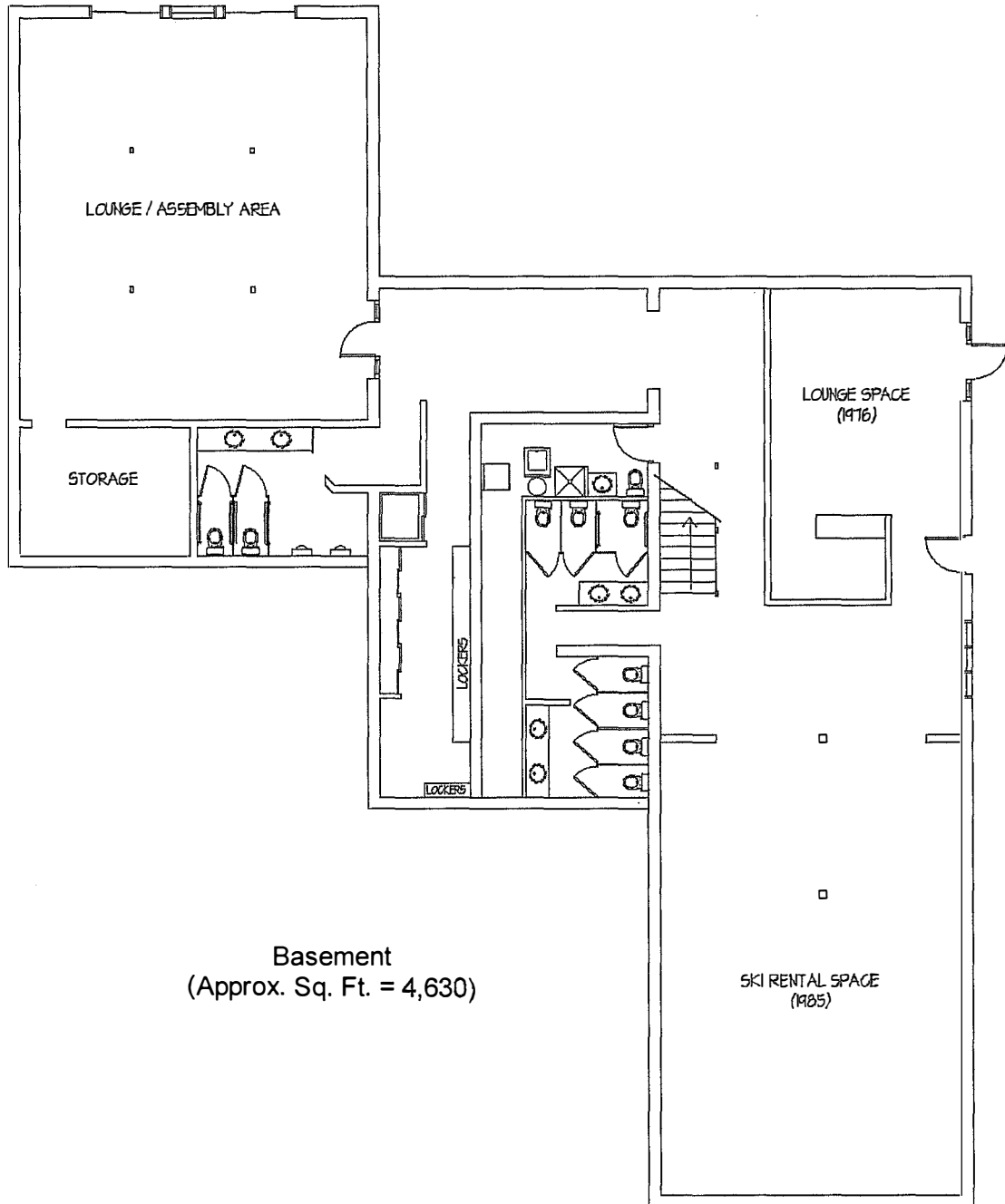
Southwest Quarter of the Southeast Quarter (SW1/4SE1/4), Section Thirty (30), Township One Hundred Sixty-three North (163N), Range Fifty-seven West (57W) of the Fifth Principal Meridian.

Tract 4:

That part of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) of Section Thirty (30), Township One Hundred Sixty-three (163), Range Fifty-seven (57) described as follows: Beginning at the point of intersection of the North line of the Right of Way of Cavalier County Highway No. 55 and the West line of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) of Section Thirty (30); thence North on the West line of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) of Section Thirty (30) to the Northwest corner of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) of Section Thirty (30); thence East on the North line of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4) of Section Thirty (30) six hundred feet (600'); thence South to the point of intersection with the North line of the Right of way of Cavalier County Highway No 55, thence Southwest on the North line of the Right of Way of Highway No. 55 to the point of beginning. Being a tract of land containing eleven (11) acres more or less.

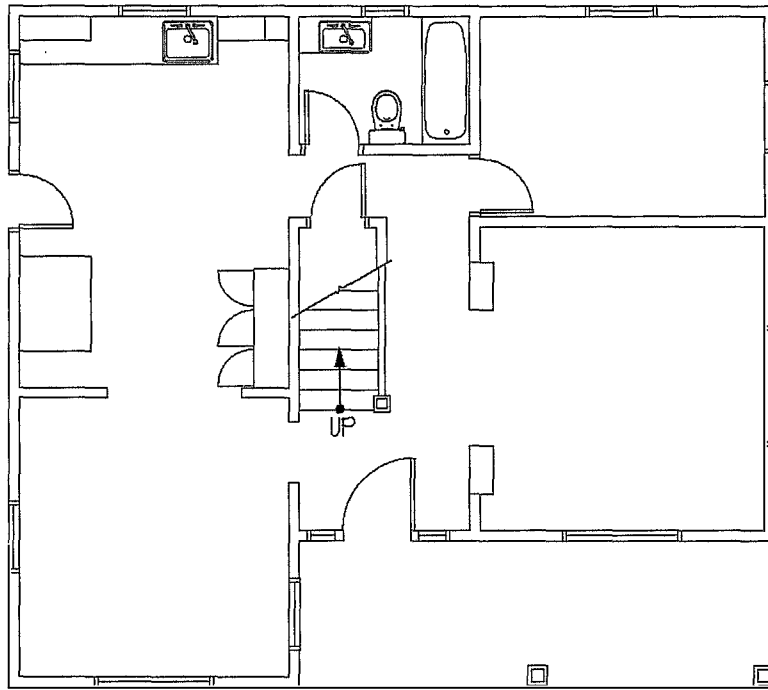
Lodge Building



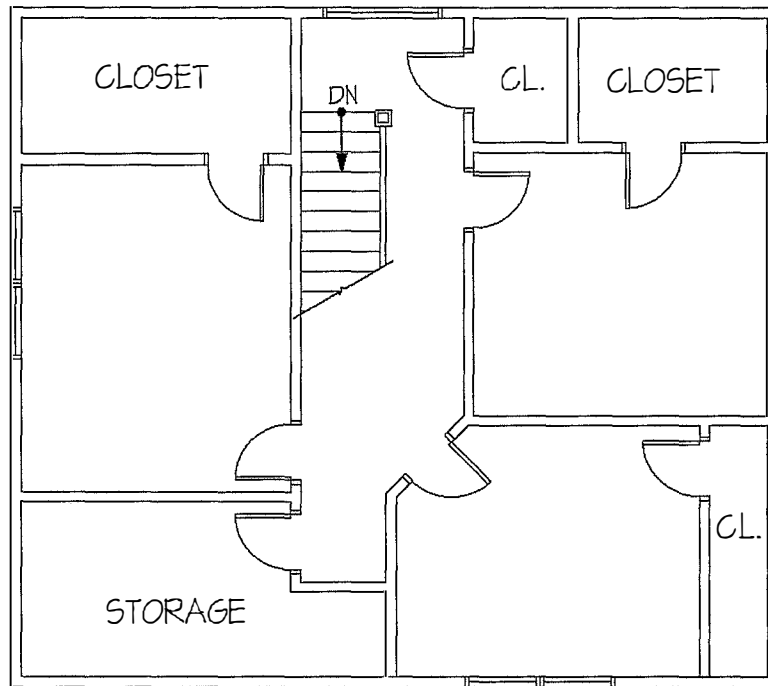


Basement
(Approx. Sq. Ft. = 4,630)

Hattie's Gift Shop

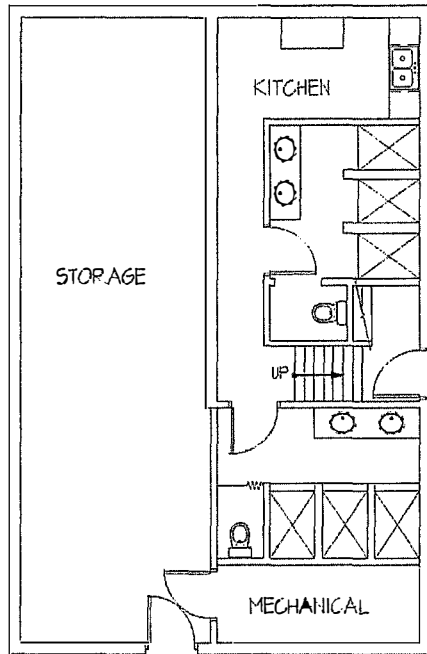


Main Level (Approx. Sq. Ft. = 740)

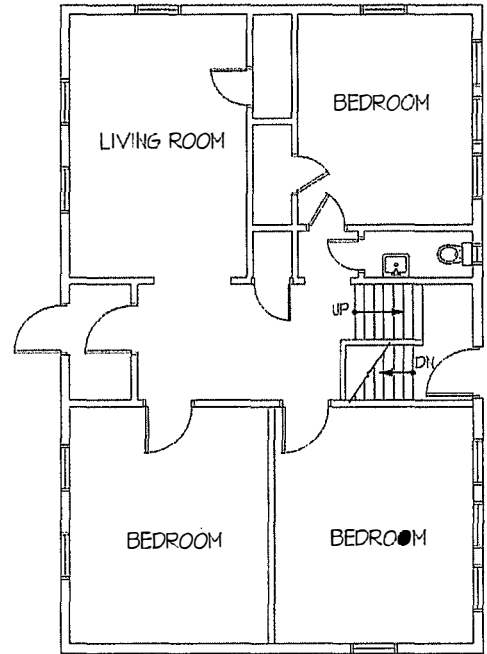


Second Level (Approx. Sq. Ft. = 863)

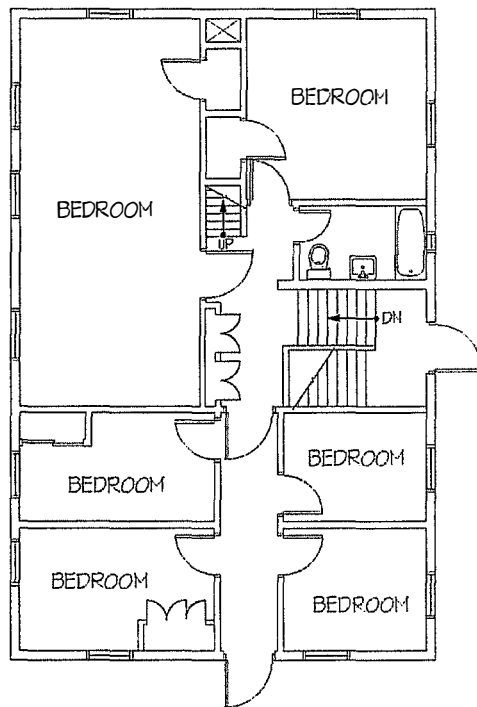
Dorm



Basement
(Approx. Sq. Ft. = 1,050)

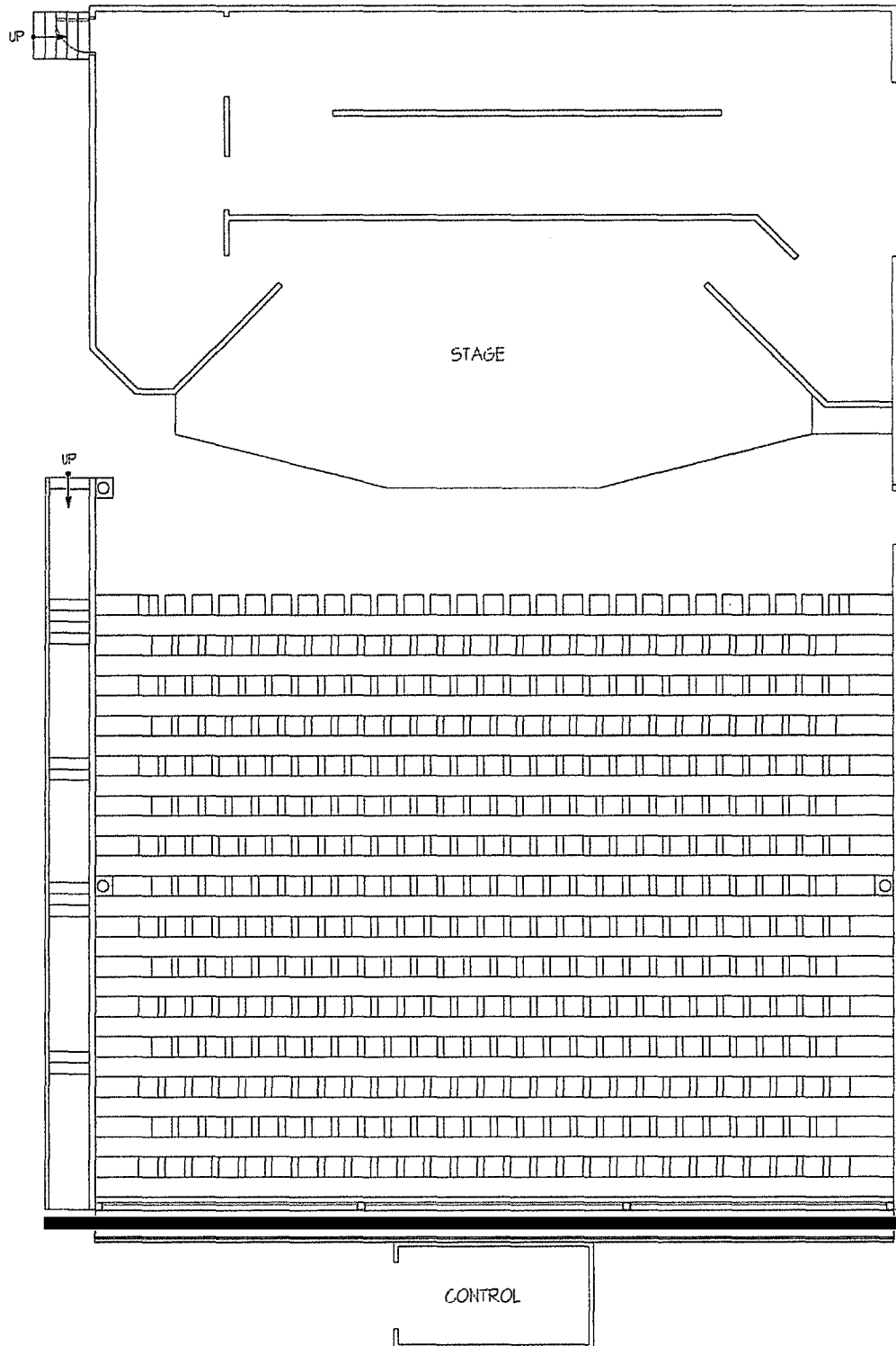


Main Level
(Approx. Sq. Ft. = 1,050)

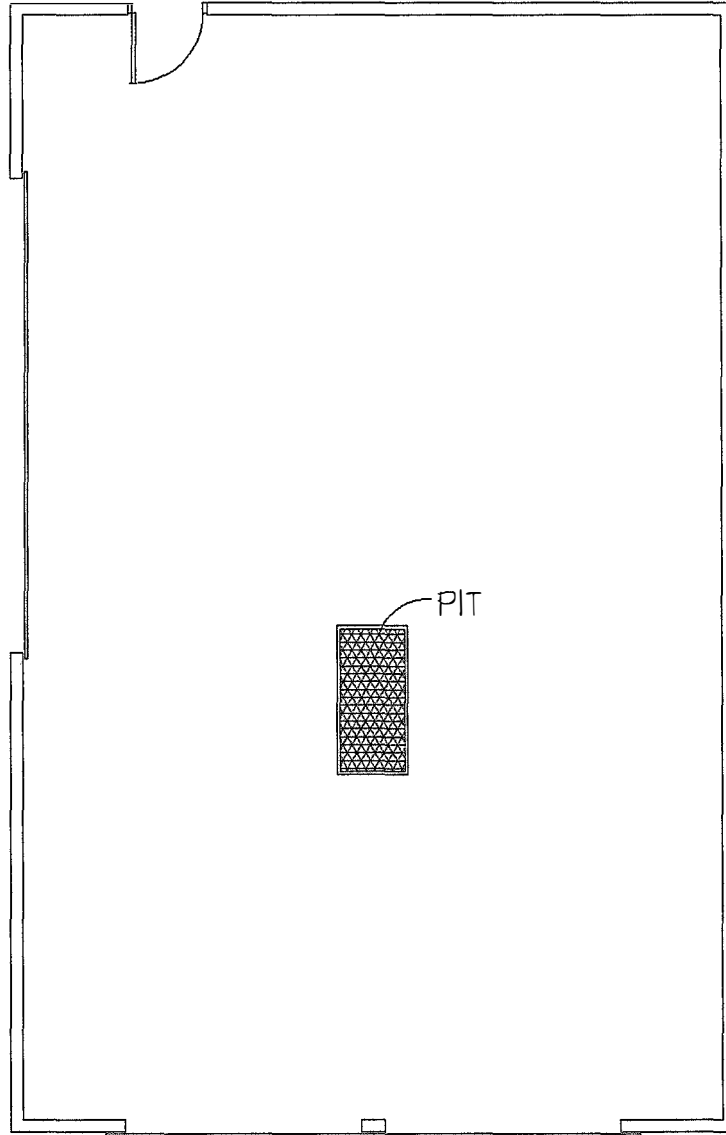


Second Level
(Approx. Sq. Ft. = 1,050)

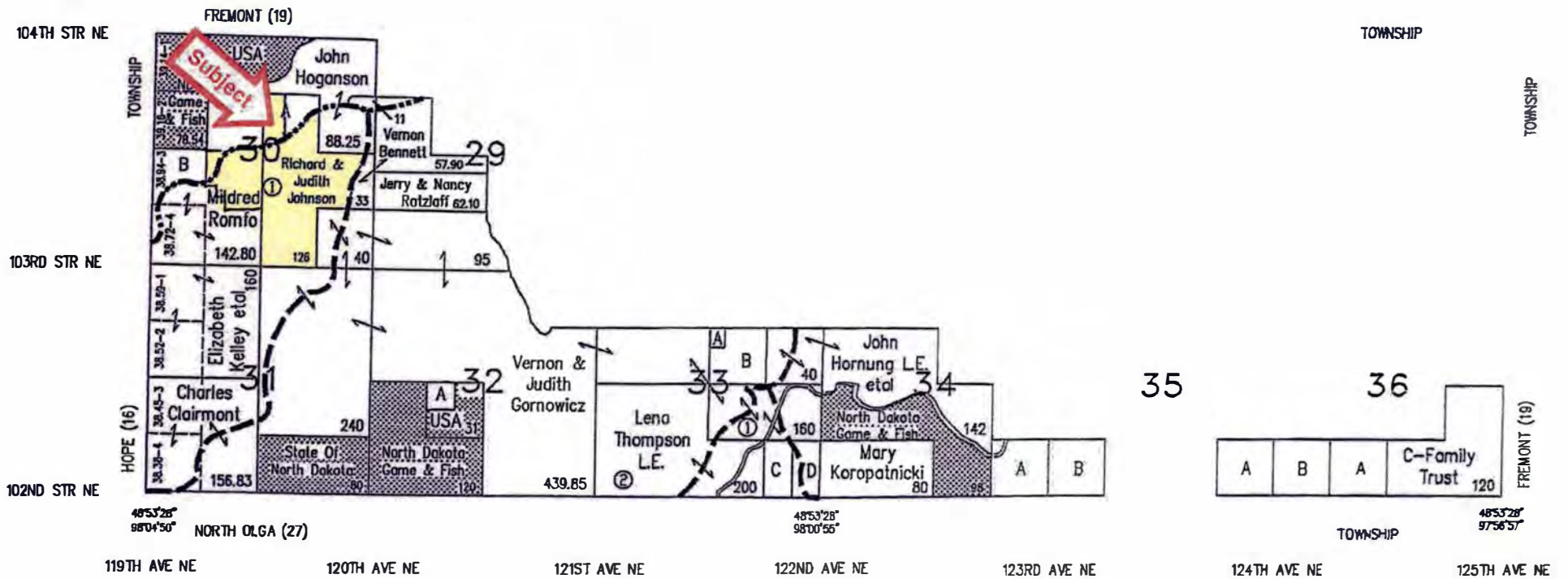
Amphitheater



Shop



(Approx. Sq. Ft. = 1,385)

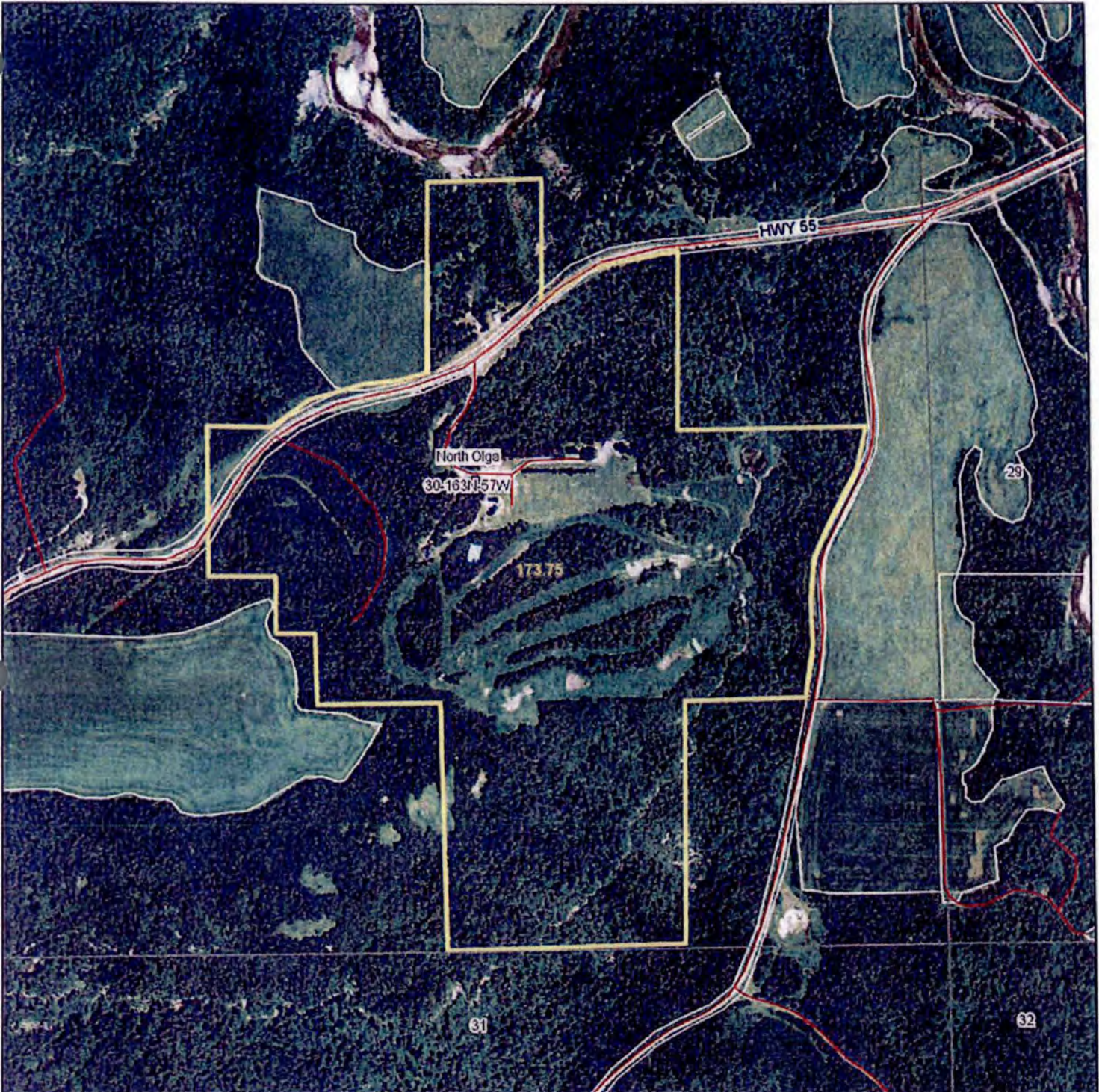


MAP OF

NORTH OLGA

TOWNSHIP: 163 N CAVALIER COUNTY RANGE: 57 W NORTH DAKOTA

CODE: NO



map center: 48° 54' 40.85, 98° 4' 2.92

scale: 8645

30-163N-57W
Cavalier County
North Dakota



11/12/2012

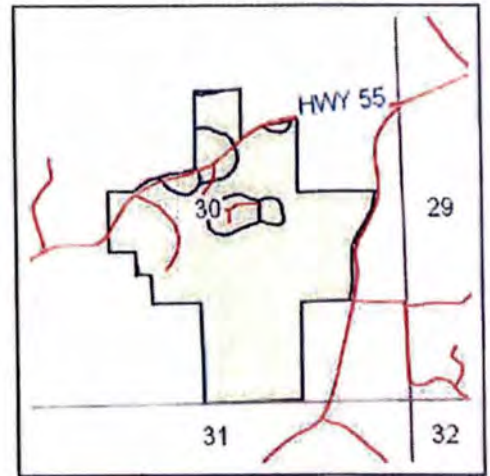
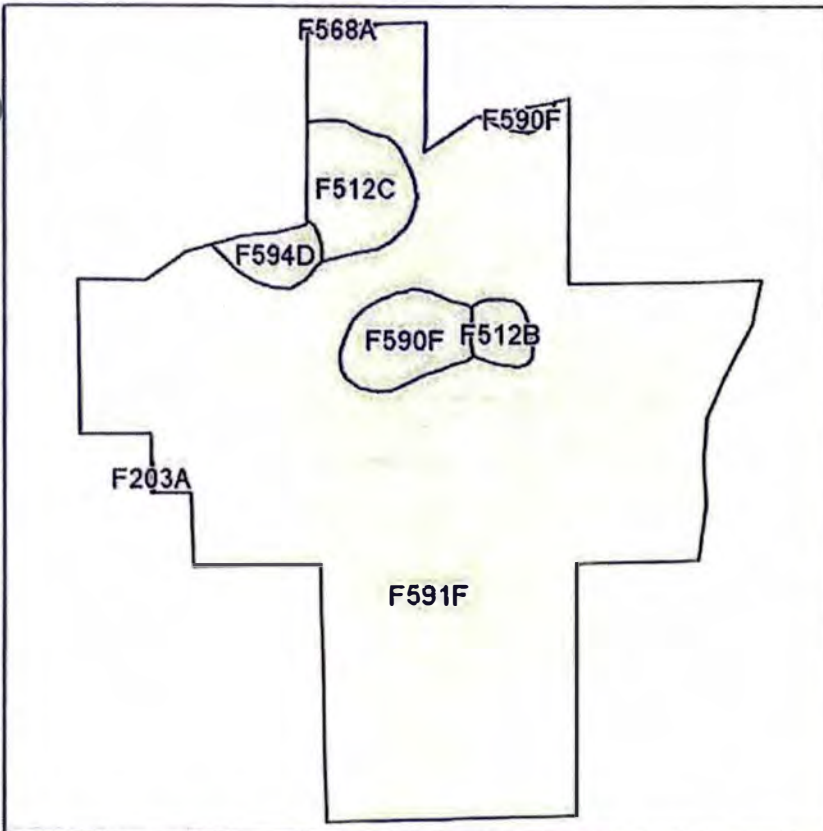
Maps provided by:



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www.AgriDataInc.com

Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

Soils Map



State: **North Dakota**
 County: **Cavalier**
 Location: **30-163N-57W**
 Township: **North Olga**
 Acres: **173.8**
 Date: **11/12/2012**

Field borders provided by Farm Service Agency as of 5/21/2008.
 Soils data provided by USDA and NRCS.

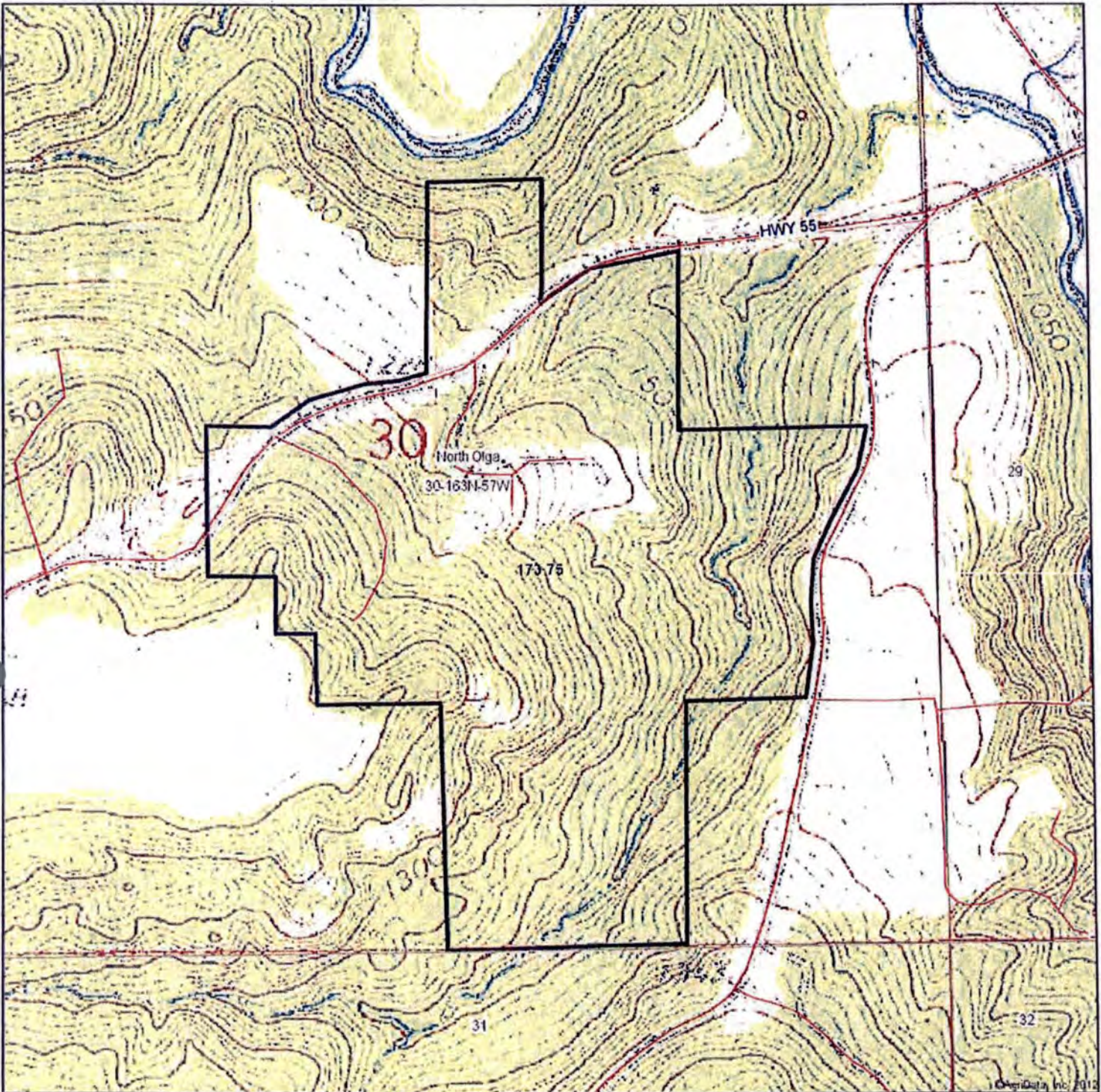


Maps provided by:



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index	Oats	Flax	Barley	Spring wheat	Sunflowers	Bromegrass alfalfa hay
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	154.6	89.1%	4.1ft. (Paralithic bedrock)	Ve	224	32						
F512C	Rolette silty clay loam, 6 to 9 percent slopes	7.2	4.1%	> 6.5ft.	IIfe	2218	64	72	17	55	34	1700	2
F590F	Olga silty clay loam, wooded, 15 to 35 percent slopes	6.6	3.8%	4.1ft. (Paralithic bedrock)	VIfe	394	33						
F594D	Olga silty clay loam, 9 to 15 percent slopes	2.8	1.6%	4.1ft. (Paralithic bedrock)	IVe	2276	53	72	17	55	34	1700	
F512B	Rolette clay loam, 3 to 6 percent slopes	2.1	1.2%	> 6.5ft.	IIe	2158	81	61	14	46	29	1432	2
F568A	Fairdale loam, wooded, 0 to 2 percent slopes, occasionally flooded	0.3	0.2%	> 6.5ft.	IIc	375	75						
F203A	Waukon loam, 0 to 3 percent slopes	0.1	0.0%	> 6.5ft.	IIc	2351	82						
Weighted Average						368.6	34.4	4.8	1.1	3.7	2.3	114.1	0.1

Topography Map



map center: 48° 54' 40.85, 98° 4' 2.92
scale: 8645

30-163N-57W
Cavalier County
North Dakota



11/12/2012

Maps provided by:



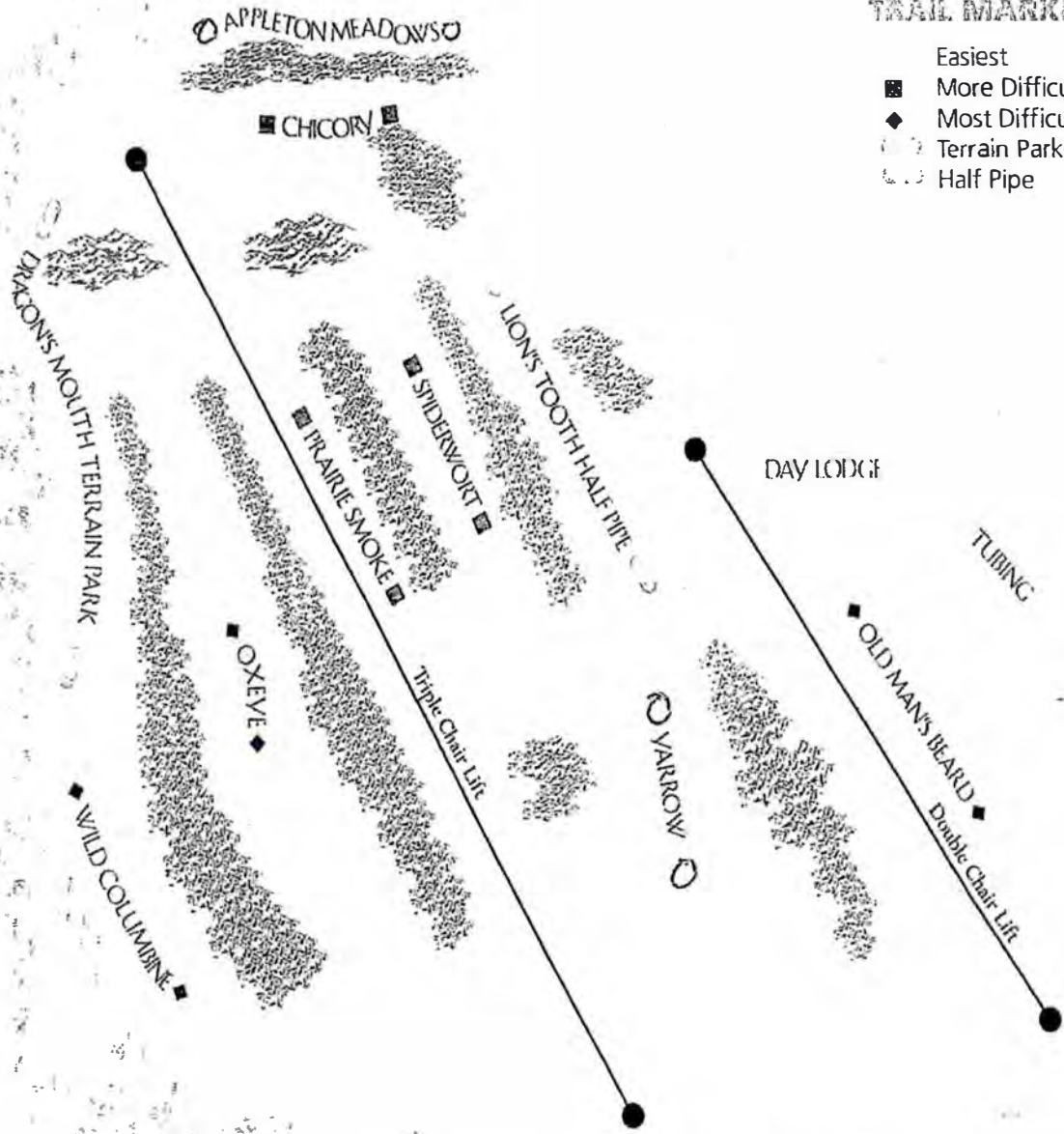
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Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.



TRAIL MARKINGS

- ◻ Easiest
- More Difficult
- ◆ Most Difficult
- Terrain Park
- ⊖ Half Pipe



7 miles west on County Road #55
 Wadhalla, ND 58282
1.701.549.3600



FURNITURE, FIXTURES AND EQUIPMENT LIST

RENTAL ITEMS	Qty	Notes:		
Snow Boarding Boots	115	\$150	each	0 - 10 years old
Snow Boards	100	\$1,050	each	0 - 10 years old
Snow Board Bindings	100	\$150	each	0 - 10 years old
Helmets	100	\$55	each	0 - 10 years old
Ski Boots (pairs)	350	\$150	each	0 - 10 years old
Skies & Bindings	216	\$200	each	0 - 10 years old
Poles (sets)	360	\$50	sets	0 - 10 years old
Tubes	36		each	0 - 10 years old
Time Clock	1			
Ski Tuner	1			15 Yrs old; Purchase price of \$12,000 new
2-Way Handheld Radio	1			
Various Tools and Waxing Equipment				
<hr/>				
SOUTH ROOM	Qty	Notes:		
Folding Tables & Benches	2			
Church Pews	2			
Round Tables	2			
Chairs	12			
Lounge Chairs	2			
Reading/Coffee Tables	2			
Dumpsters	1			
Vacuum Cleaner	1			
Picture and Wall Décor				
<hr/>				
LOG ROOM	Qty	Notes:		
Leather Sofas	4			
30" x 30" Tables	7			
Chairs	12			
Dumpsters	2			
Wood Benches	3			
Area Rugs	6		5' x 10'	
<hr/>				
BARN ROOM	Qty	Notes:		
Tables	43		30" x 30"	
Chairs	78			
Church Pew	1			
Ice Cream Freezer	1			
Cash Register and Table	1			
Credit Card Terminal	1			
Soda Coolers	2			
Food Counters	6			
Dumpster	1			
Hot Chocolate Maker	1			
Coffee Maker	2			
Large Folding Table	2			
Small Freezer	1			
Roaster Oven	4			
Small Display Case	1			
Cheese Warmer	1			
Wall Hangings				
Window Shades				
<hr/>				
BAR LOWER LEVEL	Qty	Notes:		
Bar Stools	4			
Popcorn Popper & Stand	1			
Beer Cooler	1			
Cash Register	1			
Work Table	1			
High Tables	2			

FURNITURE, FIXTURES AND EQUIPMENT LIST

High Chairs	6
Low Tables	3
Low Chairs	9
Flat Screen TV	1
Pictures, Signs, Décor, etc.	

LOWER LEVEL GENERAL AREA

	Qty	Notes:
Benches	5	
Area Rugs	4	5' x 10'
Carpet	1	6" x 28"
Rubber Rug	1	3' x 20'
Retail Showcase	1	8' long
Fire Extinguisher	1	
Pictures, Clocks, Bulletin Board		

LADIES RESTROOMS - 2

	Qty	Notes:
Floor Rug	1	4' x 6'

MENS RESTROOM - 1

	Qty	Notes:
Floor Rug	1	4' x 6'

BARN LOWER LEVEL

	Qty	Notes:
Folding Tables w/ Attached Benches	5	Red
Folding Tables w/ Matching Benches	4	Light Brown
Wood Benches	7	
Blue Sofa	1	
Fire Extinguisher	1	
Wall Décor, Pictures, etc.		

LOCKER ROOM

	Qty	Notes:
Wood Benches	2	
Wall Clothing Rack	1	
Large Lockers	24	
Coin Lockers	15	

**SNOW MAKING &
RIVER PUMPS/PUMPHOUSE**

	Qty	Notes:
Ingersoll Rand	1	50 hp 400 gallon per minute
Gorman-Rupp	1	40 hp 200 gallon per minute
Ingersoll Rand pump with US Electrical Motors	2	600 gallon per minute, 125 hp Motors
House for river pump	1	With Starters
Aveco Snow Makers	6	2000-2008 at \$20,000 each
High Pressure Water Line	6000 feet	4"
Self Draining, Hydrants Below Grade	16	
Electrical Outlet	24	
Pipe from River to Holding Pond	5000	4"

LIFTS

	Qty	Notes:
Triple Chair Lift	1	top drive
Towers	11	
Chairs	75	1-1/2" haul rope, 75 hp drive motor w/ 50 hp backup gas motor and all starters and disconnects; Rebuilt in 1990 from double chair to triple chair Purchased used but reengineered in 1995
Double Chair Lift	1	Bottom Drive
Towers	8	
Chairs	50	1-1/2" haul rope, 75 hp drive motor w/ backup motor and all starters and disconnects locate in a heated house along with pumps for snow making.

FURNITURE, FIXTURES AND EQUIPMENT LIST

Handle Tow	1	400 feet w/ top drive, house for starter and disconnects at top; 15 hp 3 phase 440 volts
Handles	30	
Magic Carpet Lift	1	*All towers on chairlifts have tower pads at bottom of towe New, purchase price of \$150,000

GROOMING EQUIPMENT

	Qty	Notes:
Piston Bully 200 w/ Flex Tiller	1	10 years old, purchase price of \$60,000
LMC 3700G w/ Flex Tiller	1	18 years old, purchase price of \$45,000
LMC 3700C w/ Straight Tiller	1	27 years old, purchase price of \$60,000
1995 Ford F150 Pickup	1	
John Deere Crawler 450	1	46 years old, purchase price of \$15,000
John Deere 400 backhoe	1	30± years old, purchase price of \$12,000
1999 Arctic Cat Snowmobile	1	Purchase price of \$10,000
2013 Arctic Cat side by side	1	Purchase price of \$12,000
Pipe Dragon	1	
Rolling cultivator	1	
EZgo Golf Cart	1	

OFFICE

	Qty	Notes:
Paper Shredder	1	
Fax Machine	1	
Video Screen w/ Hardware for Triple Chair	1	
Piano w/ Bench	1	
Steel Desk w/ Chair	1	
Lap Top Computer	1	
Book Shelf	1	
Leather Sofa, Chair & Ottoman	1	
Television	1	
Wall Décor	1	
Small Money Vault	1	
Steel 4-Drawer Filing Units	4	
End Table	1	
Lamp	1	
Antique Record Player	1	

THEATER EQUIPMENT

	Qty	Notes:
2011 Electric Piano	1	Purchase price of \$3,000
2000 Electric Piano	1	Purchase price of \$5,000
1995 Electric Piano	1	Purchase price of \$2,500
Speakers	10	1990-2006; Qty-2 purchased at \$5,000; Qty-4 purchased at \$750; Qty-4 purchased at \$1,000
Light Board	1	
Dimmer Pak	1	
Sound Boards	3	
Amps	5	
Snakes	2	
Wireless Mic's	20	\$600 each
Synthesizer	1	
Stage Lights	30	
Mic w/ Cords	3	\$200 each
Digital EQ Delay	1	
Concession House	1	
Cords, Connectors, etc.		

HATTIES GIFT HOUSE

	Qty	Notes:
Tables	8	
Benches	14	
Chairs	4	
Deck Chairs	2	

FURNITURE, FIXTURES AND EQUIPMENT LIST

Umbrellas & Stands	5	
Display Tables	3	
Display Shelves	4	
Rug	1	5' x 8'
Antique Glass Display Case	1	8' long
Glass Shelves	4	
Metal Shelves	3	
Wood Tables	5	
Fans	2	
Air Conditioner	2	

SHOP

	Qty	Notes:
Portable Work Bench	1	
Battery Chargers	2	
Welder	1	
Portable Welder	1	
Pressure Washer	1	
Air Compressor	1	
Table Saw	1	
Gas Welder & Torch	1	
Step Ladders	2	
Extension Ladders	2	
Two-Wheel Trailer	1	
Spare Part for Drive Of LMC's	1	
Allis Chalmer Diesel Engine	1	200 hp Stand By
Complete Set of Metric Tools	1	
Complete Set of US Tools	1	
Log Chains	3	
Portable Jacks	2	
300 Gallon Gas Tank	1	
1000 Gallon Diesel Tank	1	
Dixon 51" Lawn Mower	1	
Safety Harness	2	
Welding Helmets	2	
Metal Ski Racks	4	
Snow Board Rails	5	
Misc. Shovels, Rakes & Brooms		

DORMITORY - FIRST FLOOR

	Qty	Notes:
Sofas	2	
Upholstered Chairs	2	
Television	1	
Wood Bench	1	
Coffee Table	1	
Single Beds w/ Mattresses	16	
Mirrors	2	
Lamps	2	
Fans	4	

DORMITORY - SECOND FLOOR

	Qty	Notes:
Sofas	3	
Chairs	3	
Fans	4	
Mirror	1	
Single Beds w/ Mattresses	8	
Table	1	
Air Conditioner	1	

DORMITORY - THIRD FLOOR

	Qty	Notes:
Misc. Costumes & Props for Theater	Endless	

FURNITURE, FIXTURES AND EQUIPMENT LIST

DORMITORY - BASEMENT	Qty	Notes:
Microwave	1	
Pizza Baker	1	
Refrigerator	1	
Sink	1	
Wash Rack	1	
 KITCHEN	 Qty	 Notes:
Plates	180	12"
Cups	156	
Saucer Plates	40	
Glasses	168	
Dessert Plates	150	
Salad Bowls	85	
Butter Dish	48	
Water Pitcher	9	
Water Carraf	36	
Clear Glass Salad Plates	90	
Coffee Warmer	12	
Wine Glasses	48	
Chafers	4	
Knives, Forks & Spoons	12 dz. each	
Large Tubs	6	
Coffee Maker	1	
Baking Pans	24	
Roasting Containers	6	
Microwave	1	
Fire Extinguisher	2	
Freezers	2	
Stainless Steel Work Tables	3	
Deep Fryers	2	
Heat Lamp	1	
Electric Range	1	
Convection Oven	1	
Compartment Sink	3	
Dishwasher	1	
Two-Door Refrigerator	1	
Large Warmer	1	
Hood (Over Fryer & Range)	1	
Ansel System	1	
Air Conditioner	1	
Misc. Pots, Pans, Utensils		
 MISC.	 Qty	 Notes:
50' 1-1/2 Snowmaking hose	40	
Rescue Tobbagins	2	
Desk	1	
Triple Chair Pads	75	
Triple Chair Tower Pads	11	
Double Chair Pads	50	
Patients Beds	2	
Theater Side Curtains	12	
Back Stay Pads for Tubing	8	
Propane Torches	2	
Shovels & Rakes	12	
Ropes for Chair Evacuation		

FROST FIRE SKI & SNOWBOARD BROCHURE

Services



Our shop technicians are able to offer custom stone grinding and base prep. Ski tuning and waxing are available overnight or while you wait.

SKI PATROL:

Our friendly ski patrol are always on hand.

SKI SCHOOL:

Earn to ski and snowboard at Frost Fire. Whatever your age, you can become a skier or snowboarder if the spirit is willing. Our mission is to help you succeed whether you are a beginner or moving into another level.

RENTAL:

Ski and Snowboard Rental Shop is conveniently located in the lower level of the lodge. Frostfire Skis and Snowboards set up or a standard rental package. Helmets are available to rent for all ages.

GROUP FUN FOR:

- Churches
- Clubs
- Class Trips
- Schools
- Youth Groups
- Company Outings

Group fun offers a variety of group rates of 20 or more. As a group you'll get special savings of lift tickets, rentals and lessons. Details are available online at www.frostfirearea.com. Call for reservations and group rates.

TRIPS:

- Try snow tubing
 - Ask about our snow tubing birthday packages
- snow tubing is a SLIDING GREAT TIME!
- 1 rec lift ticket for age 5 or younger.
 - Less than 2 hours south of Winnipeg – 25 minutes south of Winkler, Manitoba
 - Approximately 2 hours northwest of Grand Forks, ND
 - Frost Fire skiing and snowboarding in North Dakota is comparable to most areas in the Midwest
 - Family friendly resort and it offers a good mix of beginner, intermediate and advanced runs plus well developed terrain park.



Ski and Snowboard RESPONSIBILITY CODE

There are elements of risk in skiing that common sense and personal awareness can help reduce.

1. Ski and snowboard under control and in such a manner you can stop or avoid other skiers or objects.
2. When skiing and snowboarding downhill or overtaking another skier, you must avoid the skier below you.
3. You must not stop where you obstruct a trail or are not visible from above.
4. When entering a trail or starting downhill, yield to other skiers or snowboarders.
5. All skiers shall use devices to help prevent run away skis or snowboards.
6. You shall keep off closed trails and posted areas and observe all posted signs.

This is a partial list. Be safety conscious!



Be aware of changing conditions. Natural and man-made obstacles exist. Snowmaking and grooming activities are routinely in progress on slopes and trails. Use caution, ski and snowboard in control and only on designated slopes or trails.

Frost Fire is located in the Pembina River Gorge, a beautiful scenic area for skiing and snowboarding.

COME AND SKI with us!

Frost Fire reserves the right to close during extreme weather conditions at any time we deem conditions to be unsafe

We're Easy to Find...

www.frostfireskiarea.com
www.frostfirethru.com
FROST FIRE
 PEMBINA RIVER GORGE, NORTH DAKOTA



7 miles west on
 County Road #55
 Wallhalla, ND 58282
1-701-549-3600



The Real North Dakota

FROST FIRE
 PEMBINA RIVER GORGE, NORTH DAKOTA



the best
 winter recreation
 in NORTH DAKOTA.



701.549.3600 | frostfireskiarea.com

FROST FIRE SKI & SNOWBOARD BROCHURE

Get on Board for the Busy Winter Season!

SOME THINGS DO NOT REQUIRE POETRY... THEY ARE

Ski the spectacular Pembina River Gorge Frost Fire Ski and Summer Resort is located in the Heart of the Scenic Pembina River Gorge.

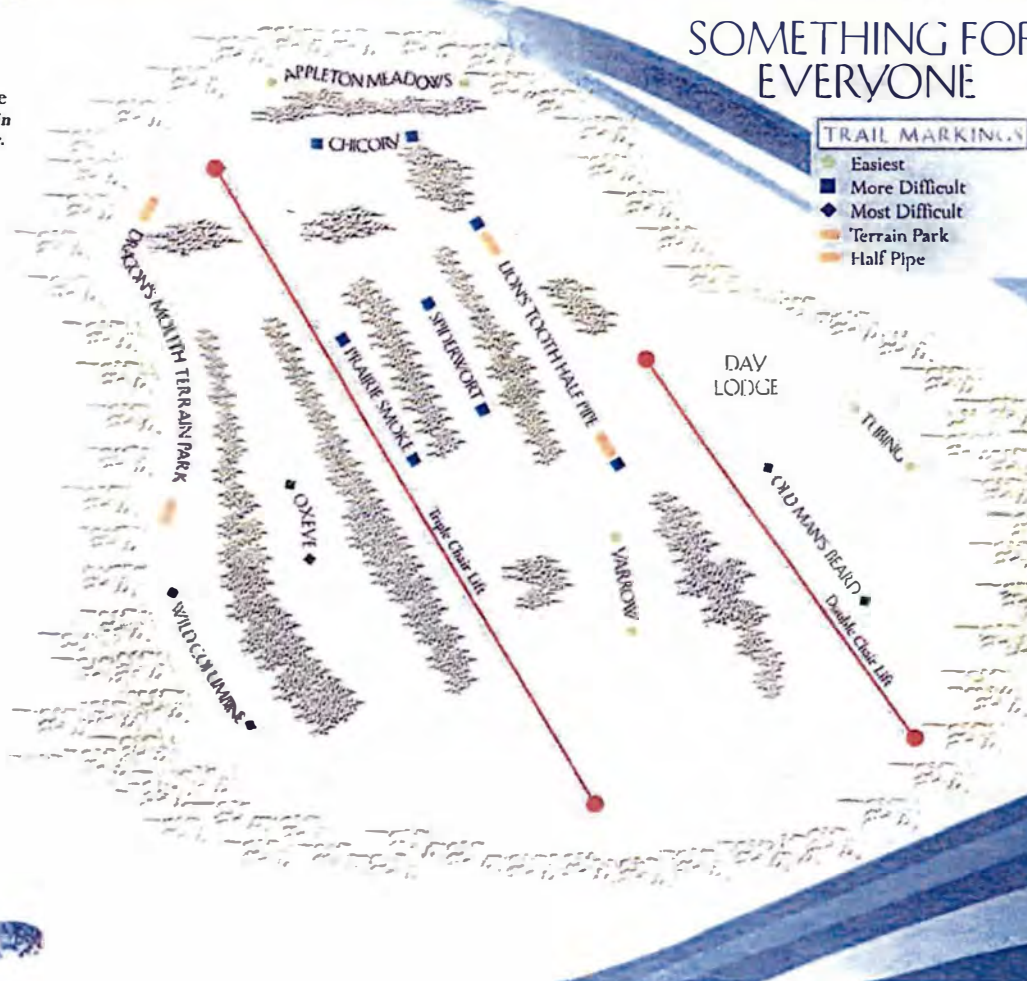
AREA STATISTICS:
 Snow making covers 100% of our area.
 Number of Runs10
 Longest Run2600'
 Vertical Drop350'
 Elevation1350'
Lift Facilities
 1 double chair lift, 1 triple chair lift, handle tow

VARIETY OF TERRAIN:
 Variety of terrain will keep skiers and snowboarders happy and having fun!
 • Beginner - 3
 • Intermediate - 4
 • Advanced - 3
 Terrain park with rails and tabletops.
 Half Pipe

FOOD SERVICE:
 • Tasty choices at the Frost Fire Daylodge Cafeteria. Great food for big appetites.
 • Wintersköl Lounge. Food and drink plus big screen TV.

FROST FIRE

SOMETHING FOR EVERYONE



www.frostfire.com



FROST FIRE SUMMER THEATER BROCHURE

FROST FIRE SUMMER THEATRE 2012

PRESENTS



Created by Richard Maltby, Jr.
Conceived by William Meade

CASH

RING OF FIRE

The Johnny Cash Musical Show



FROST FIRE
FEMINA RIVER GORGE
NORTH DAKOTA

Johnny Cash's remarkable life story is told through his music, climaxing in a concert that will both move and exhilarate!

MUSICAL HIGHLIGHTS

- ★ RING OF FIRE
- ★ COUNTRY BOY
- ★ DADDY SANG BASS
- ★ FOLSOM PRISON BLUES
- ★ A BOY NAMED SUE
- ★ I WALK THE LINE

RING of FIRE

SUMMER 2012

INDIVIDUAL PRICES <small>(TAXES NOT INCLUDED)</small>	GROUP PRICES <small>(TAXES NOT INCLUDED)</small>
<p>Theatre</p> <p>Adults \$26.00</p> <p>Child \$12.00</p> <p><small>Canadian Guests please call for exchange rates 701-549-3600</small></p>	<p><small>Valid for groups of 10 or more</small></p> <p>Theatre Only \$24.00</p> <p>Theatre & Dinner \$41.00</p> <p>Child Theatre Only \$11.00</p> <p>Child Theatre & Dinner \$25.00</p>

GRILL MENU ALSO AVAILABLE

The group numbers must be confirmed 24 hours before the performance and will be charged for that number. Frost Fire will not honor cancellations after your 24 hour notice. Additions will be allowed anytime but seating may not be with your group. Tickets must be purchased by the group leader and picked up 45 minutes before the performance.

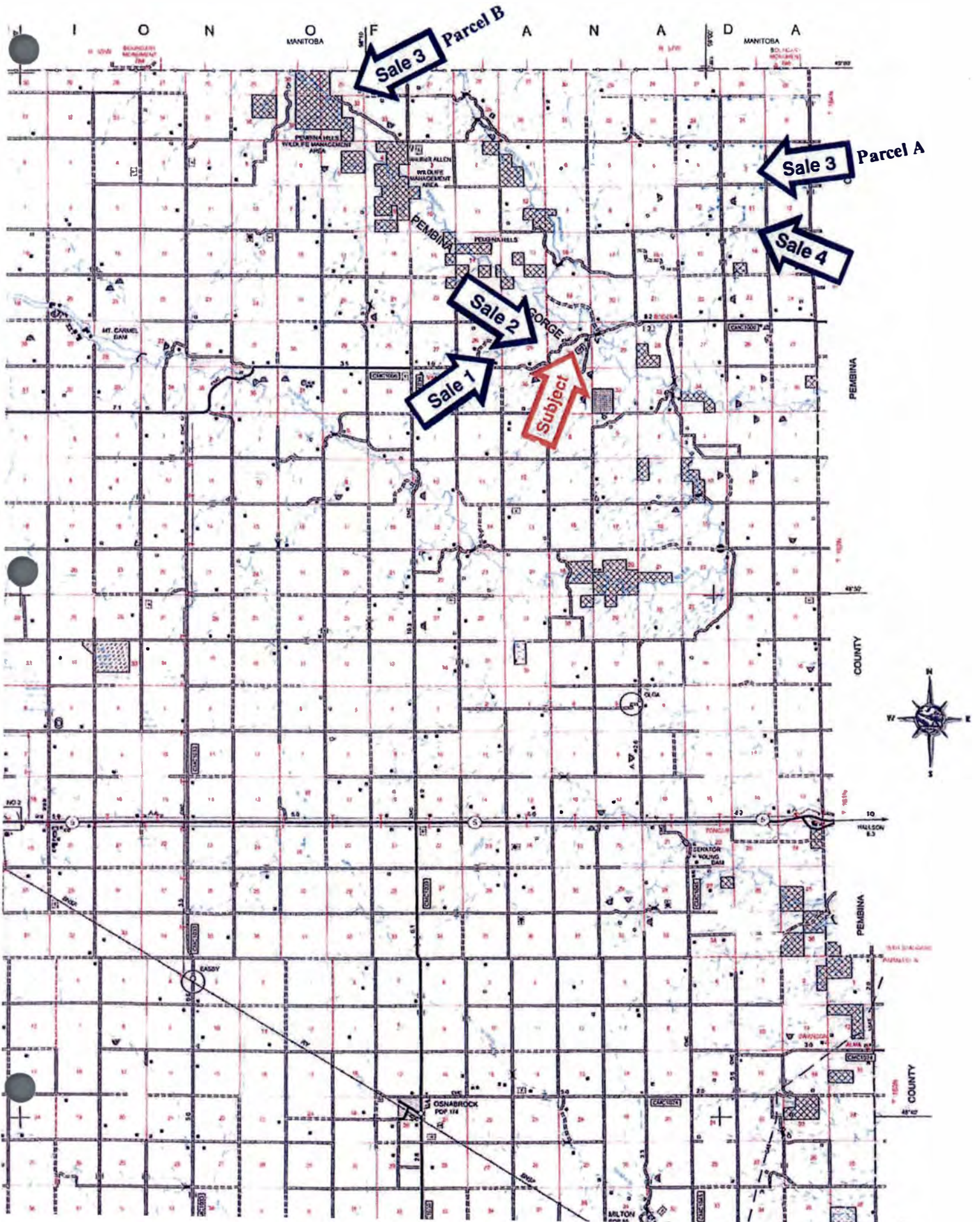
PERFORMANCE SCHEDULE

Sunday	July 1	2:00 p.m. Matinee
Wednesday	July 4	2:00 p.m. Matinee
Saturday	July 7	6:00 p.m. Evening
Sunday	July 8	2:00 p.m. Matinee
Wednesday	July 11	2:00 p.m. Matinee
Saturday	July 14	6:00 p.m. Evening
Sunday	July 15	2:00 p.m. Matinee
Wednesday	July 18	2:00 p.m. Matinee
Saturday	July 21	6:00 p.m. Evening
Sunday	July 22	2:00 p.m. Matinee
Wednesday	July 25	2:00 p.m. Matinee
Saturday	July 28	6:00 p.m. Evening
Sunday	July 29	2:00 p.m. Matinee
Wednesday	August 1	2:00 p.m. Matinee
Saturday	August 4	6:00 p.m. Evening
Sunday	August 5	2:00 p.m. Matinee

For Information: 701-549-3600 • PO Box 711, Walthalla, ND 58282
www.frostfiretheatre.com


FROST FIRE
 FEMINA RIVER GORGE
 NORTH DAKOTA
 PO Box 711
 Walthalla, ND 58282

LAND SALES LOCATION MAP



LAND SALE #1

Date of Sale: August 22, 2012

Location: Section 26, Hope Township, Cavalier County

Grantor: Hilford S. Olson

Grantee: Bjornstad Farms
603 Riverside Avenue, Walhalla, ND

Legal Description: W ½ of the SE ¼, NE ¼ of the SE ¼, SE ¼ of the NW ¼, and the NE ¼ of the SW ¼ less part of the NE ¼ of the SW ¼, Section 26, Township 163, Range 58, Cavalier County, North Dakota.

Parcel Number: 18125000, 18126000, and 18129000

Zoning: Agricultural

Topography: Level to steeply sloping; slopes to 35 percent.

Soils:

<u>Symbol</u>	<u>Name</u>	<u>Slope Class</u>	<u>Acres</u>	<u>%</u>	<u>PI</u>
F203B	Waukon loam	3-6% Iie	63.7	33.1	76
F591F	Olga-Kloten complex, wooded	9-35% Ve	53.2	27.7	32
F200A	Kelvin loam	0-3% IIs	30.8	16.0	88
F203A	Waukon loam	0-3% Iic	26.7	13.9	82
F110A	Suomi, moist-Kelvin complex	0-3% IIs	9.9	5.2	89
F303B	Vang-Coe complex	2-6% IVs	7.0	3.7	52
F147f	Buse-Barnes-Darnen loams	9-35% VIe	1.0	0.5	34

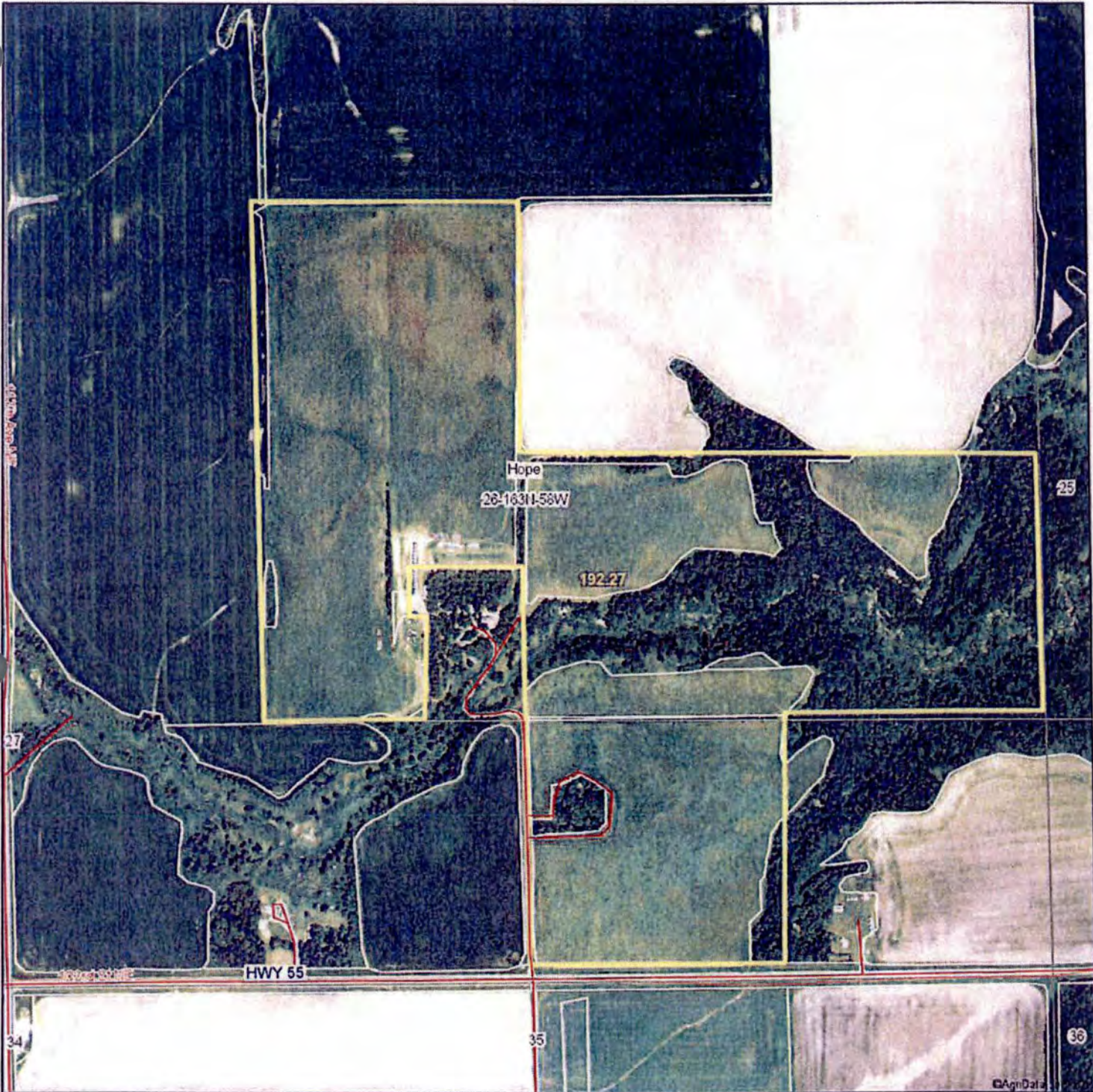
Land Size: 192.27 acres

Sale Price: \$380,000 PRD (Document #235513)

Unit Price: \$1,976/acre

Confirmed by: Buyer & Courthouse Records

Comments: Average Productivity Index – 66.2



map center: 48° 54' 42.22, 98° 6' 47.29
 scale: 8422

26-163N-58W
Cavalier County
North Dakota



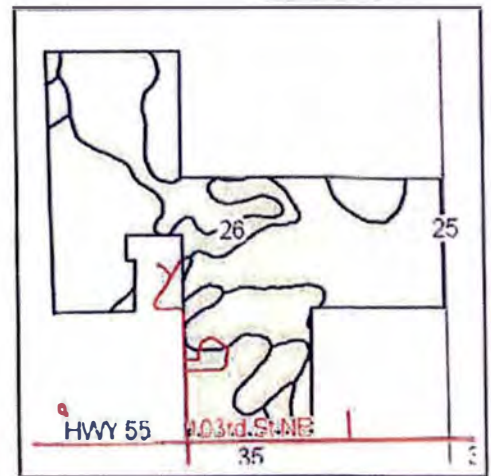
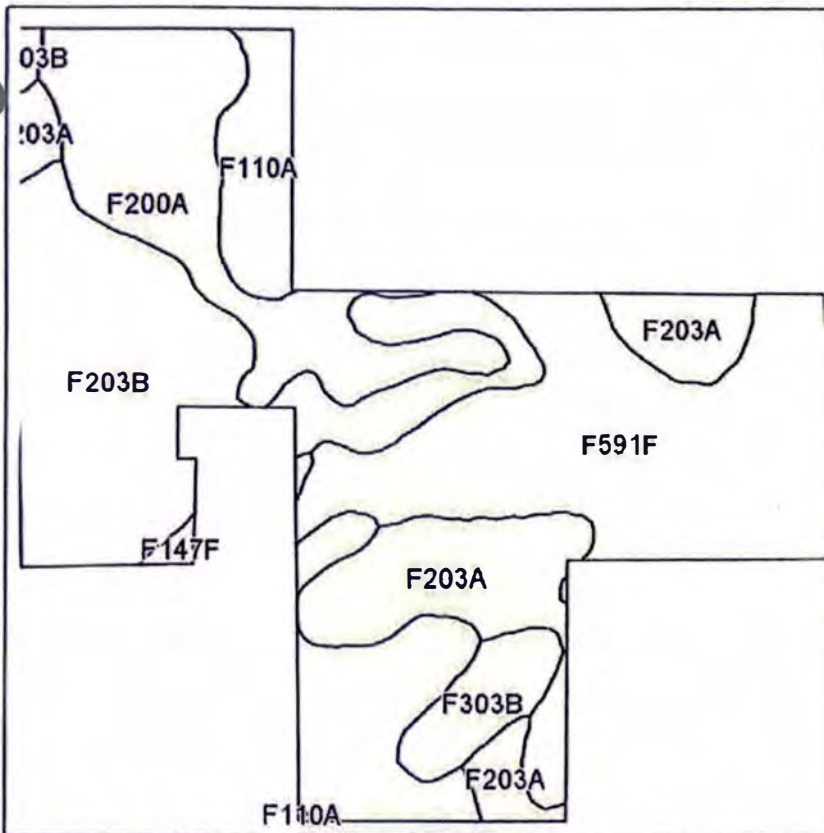
11/19/2012

Maps provided by:
surety
 CUSTOMIZED ONLINE MAPPING

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Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

Soils Map



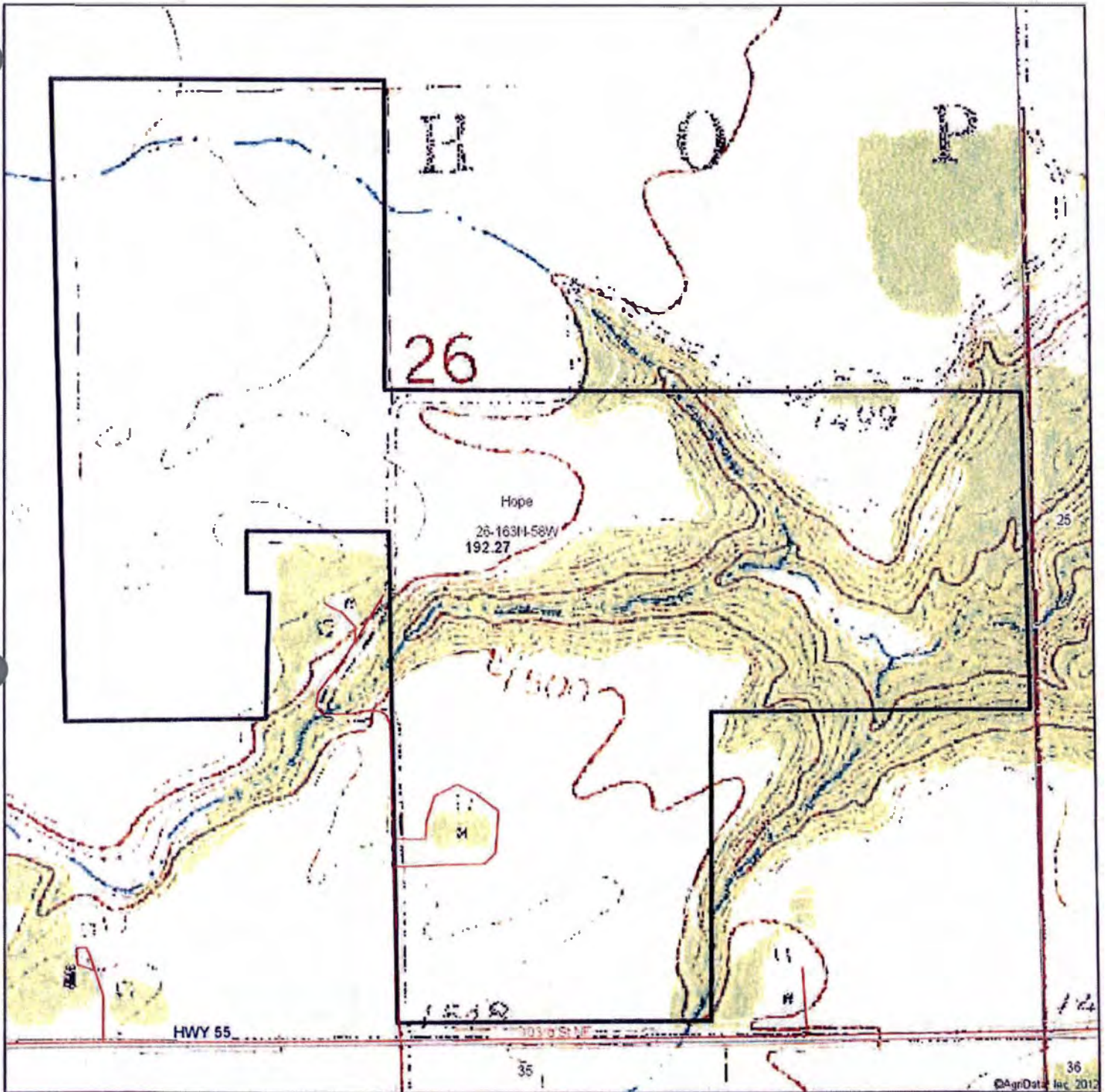
State: **North Dakota**
 County: **Cavalier**
 Location: **26-163N-58W**
 Township: **Hope**
 Acres: **192.3**
 Date: **11/19/2012**

Field borders provided by Farm Service Agency as of 5/21/2008.
 Soils data provided by USDA and NRCS.



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index	Spring wheat	Sunflowers	Barley	Oats
F203B	Waukon loam, 3 to 6 percent slopes	63.7	33.1%	> 6.5ft.	Ile	2353	76				
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	53.2	27.7%	4.1ft. (Paralithic bedrock)	Ve	224	32				
F200A	Kelvin loam, 0 to 3 percent slopes	30.8	16.0%	> 6.5ft.	Ils	2465	88				
F203A	Waukon loam, 0 to 3 percent slopes	26.7	13.9%	> 6.5ft.	Ilc	2351	82				
F110A	Suomi, moist-Kelvin complex, 0 to 3 percent slopes	9.9	5.2%	> 6.5ft.	Ils	3880	89				
F303B	Vang-Coe complex, 2 to 6 percent slopes	7	3.7%	> 6.5ft.	IVs	2376	52	12	600	20	26
F147F	Buse-Barnes-Darnen loams, 9 to 35 percent slopes	1	0.5%	> 6.5ft.	VIe	2447	34				
Weighted Average						1864	66.2	0.4	22.2	0.7	1

Topography Map



map center: 48° 54' 40.52, 98° 6' 39.24
scale: 6809

26-163N-58W
Cavalier County
North Dakota



11/19/2012

Maps provided by:



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Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

LAND SALE #2

Date of Sale: August 22, 2012

Location: Section 25, Hope Township, Cavalier County

Grantor: Hilford S. Olson

Grantee: Bjornstad Farms
603 Riverside Avenue, Walhalla, ND

Legal Description: S ½ of the NE ¼ and the NE ¼ of the SE ¼, Section 25, Township 163, Range 58, Cavalier County, North Dakota.

Parcel Number: 18115000

Zoning: Agricultural

Topography: Level to steeply sloping; slopes to 35 percent.

Soils:	<u>Symbol</u>	<u>Name</u>	<u>Slope Class</u>	<u>Acres</u>	<u>%</u>	<u>PI</u>
	F591F	Olga-Kloten complex, wooded	9-35% Ve	100.0	83.4	32
	F203B	Waukon loam	3-6% IIs	5.9	4.9	76
	F203A	Waukon loam	0-3% IIc	5.1	4.2	82
	F200A	Kelvin loam	0-3% IIs	4.6	3.8	88
	F594D	Olga silty clay loam	9-15% IVe	4.4	3.7	53

Land Size: 120 acres

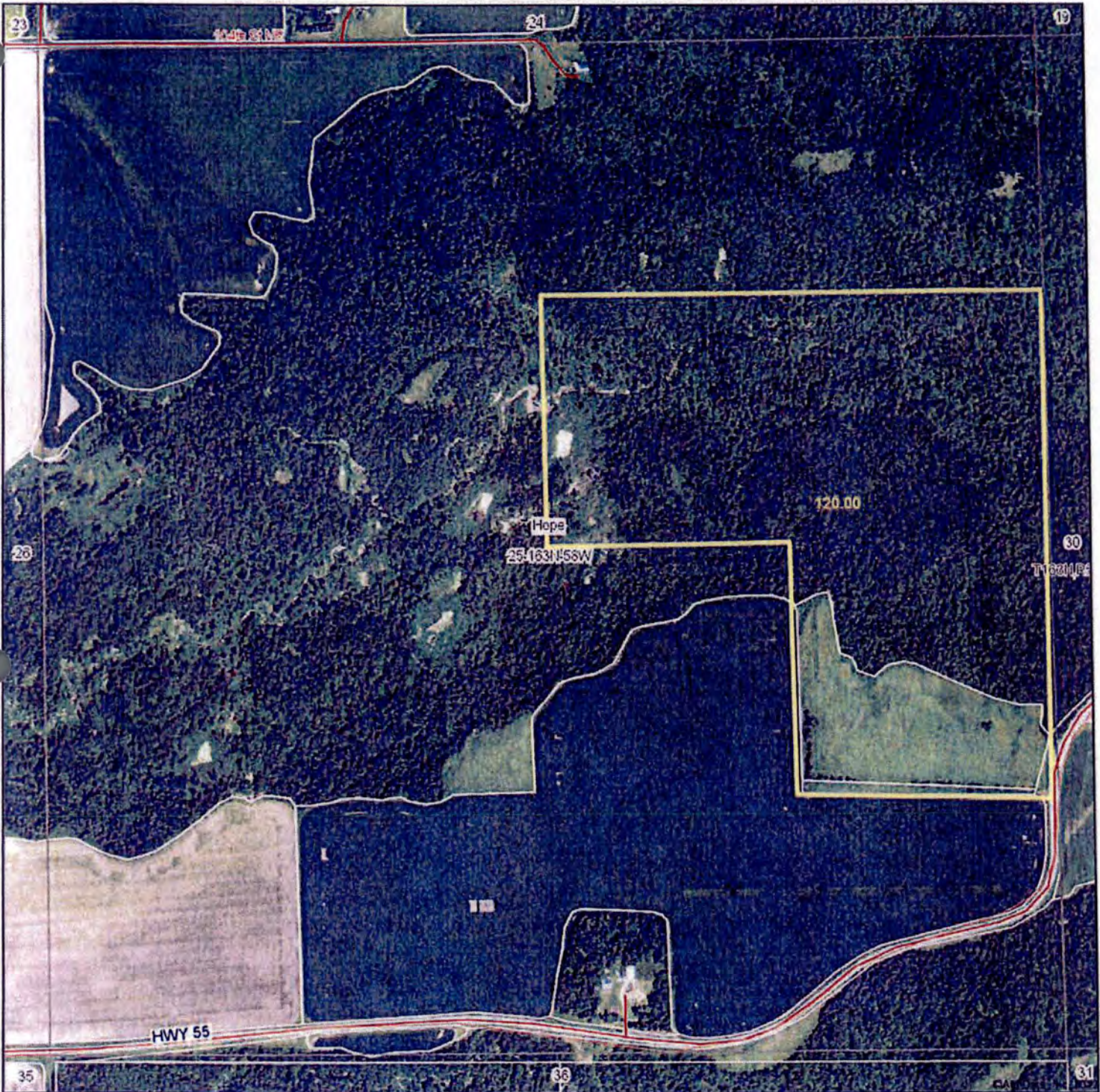
Sale Price: \$138,000 PRD (Document #235491)

Unit Price: \$1,150/acre

Confirmed by: Buyer & Courthouse Records

Comments: Average Productivity Index – 39.2

Aerial Map



map center: 48° 54' 46.16, 98° 5' 29.8
scale: 8610

25-163N-58W
Cavalier County
North Dakota



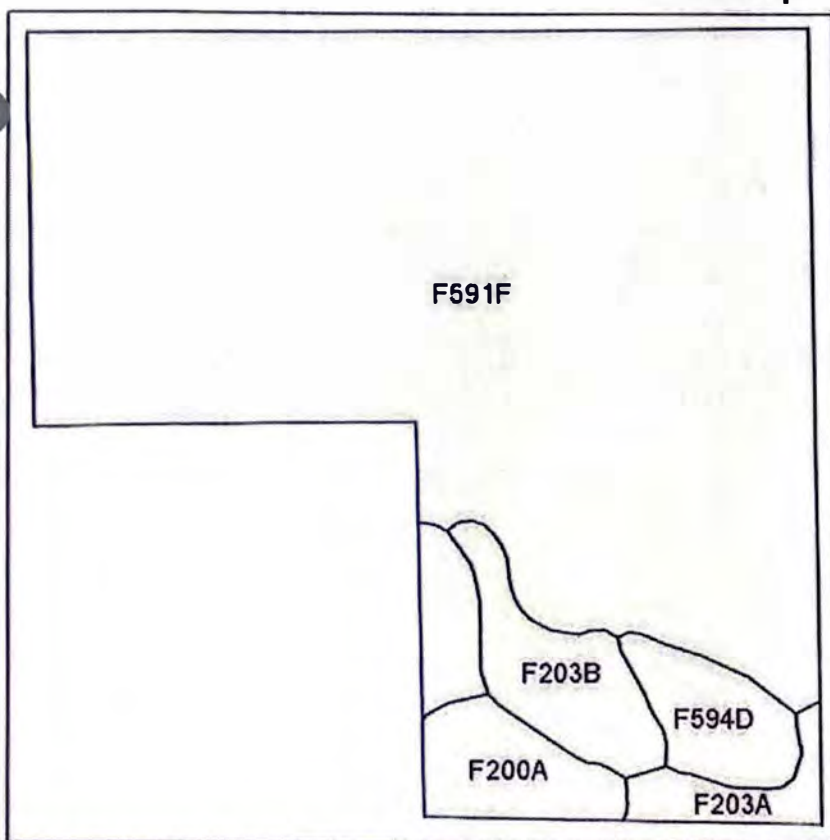
11/24/2012

Maps provided by:

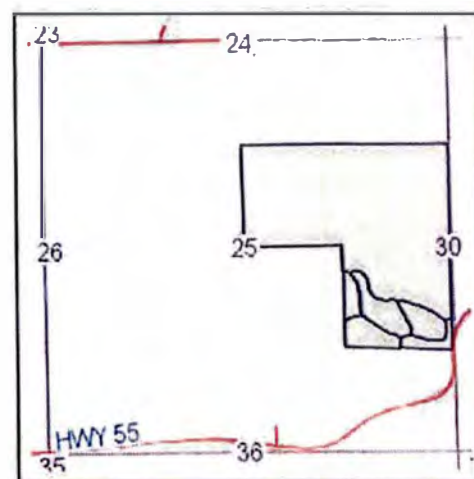


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Soils Map



Field borders provided by Farm Service Agency as of 5/21/2008.
Soils data provided by USDA and NRCS.



State: **North Dakota**
 County: **Cavalier**
 Location: **25-163N-58W**
 Township: **Hope**
 Acres: **120**
 Date: **11/24/2012**

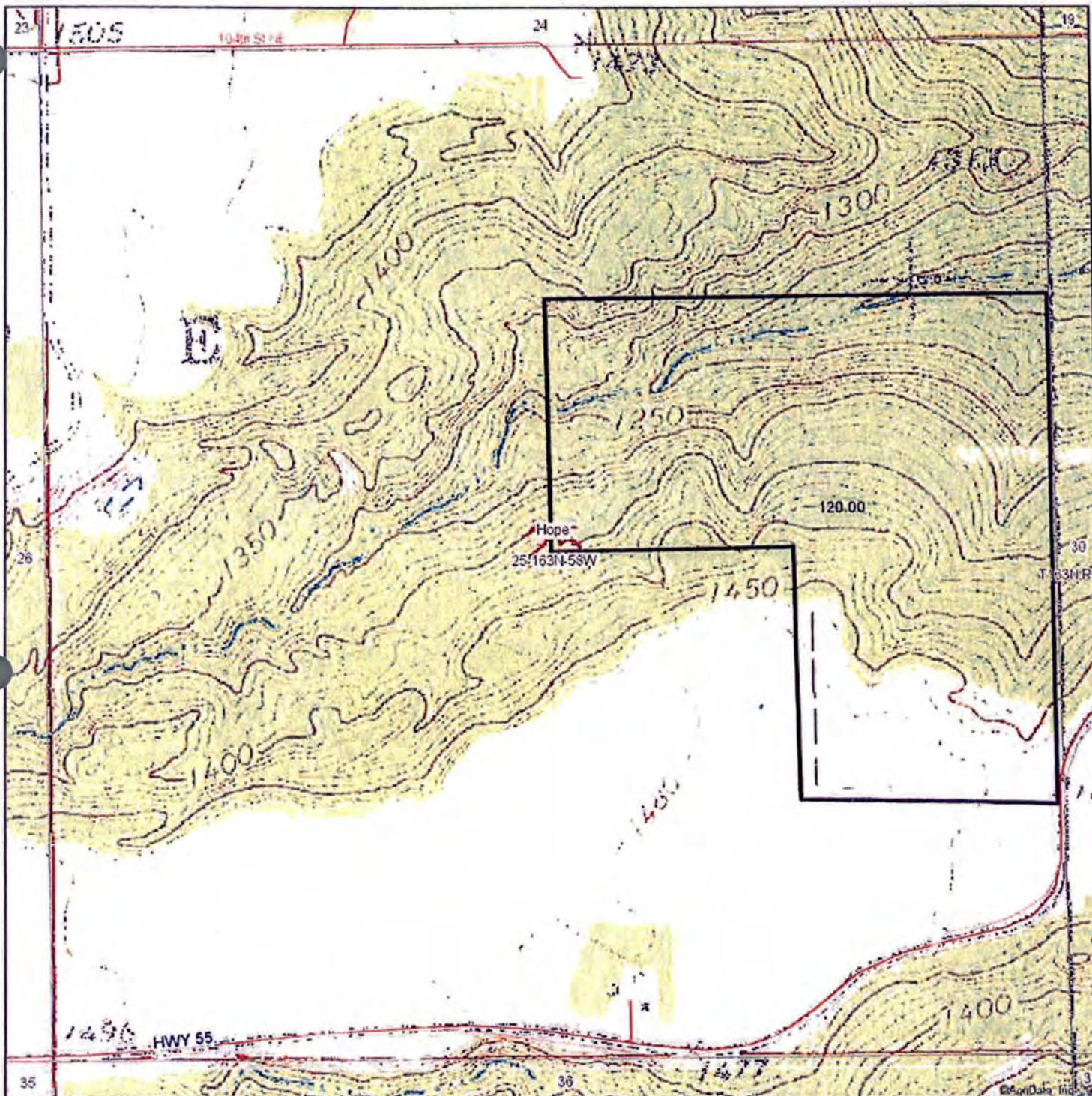


Maps provided by:



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index	Sunflowers	Barley	Spring wheat	Oats	Flax
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	100	83.4%	4.1ft. (Paralithic bedrock)	Ve	224	32					
F203B	Waukon loam, 3 to 6 percent slopes	5.9	4.9%	> 6.5ft.	Ile	2353	76					
F203A	Waukon loam, 0 to 3 percent slopes	5.1	4.2%	> 6.5ft.	Ilic	2351	82					
F200A	Kelvin loam, 0 to 3 percent slopes	4.6	3.8%	> 6.5ft.	Iis	2465	88					
F594D	Olga silty clay loam, 9 to 15 percent slopes	4.4	3.7%	4.1ft. (Paralithic bedrock)	IVe	2276	53	1700	55	34	72	17
Weighted Average						578.7	39.2	62.9	2	1.3	2.7	0.6

Topography Map



map center: 48° 54' 46.16, 98° 5' 29.8
 scale: 8610

25-163N-58W
Cavalier County
North Dakota



11/24/2012

Maps provided by:



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Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

LAND SALE #3

Date of Sale: November 16, 2009

Location: Sections 2 & 29, Fremont Township, Cavalier County

Grantor: Donald & Evelyn I. Nelson
10204 Hwy 32, Walhalla, North Dakota

Grantee: State of North Dakota - North Dakota Parks and Recreation Dept.
1600 E. Century Avenue, Suite 3, Bismarck, North Dakota

Legal Description: A tract of land in the N ½ of the SE ¼ and the SE ¼ of the SE ¼ Section 2, Township 163, Range 58, and a tract of land in Lot 1 and the SE ¼ of the SE ¼ of Section 29, Township 164, Range 58, all in the 5th Principal Meridian, Cavalier County, North Dakota.

Parcel Number: 11268011 and 11329010

Zoning: Agricultural

Topography: Level to steeply sloping; slopes to 35 percent.

Soils:

Parcel A:				Slope Class	Acres	%	PI
Symbol	Name						
F591F	Olga-Kloten complex, wooded	9-35%	Ve	25.3	85.9	32	
F110A	Suomi, moist-Kelvin complex	0-3%	IIs	3.5	12.0	89	
F200A	Kelvin loam	0-3%	IIs	0.6	2.1	88	

Parcel B:				Slope Class	Acres	%	PI
Symbol	Name						
F591F	Olga-Kloten complex, wooded	9-35%	Ve	16.2	76.2	32	
F200A	Kelvin loam	0-3%	IIs	5.0	23.8	88	

Land Size: 50.63 acres

Sale Price: \$55,000 WD (Document #231710)

Unit Price: \$1,086/acre

Confirmed by: State of North Dakota - North Dakota Parks and Recreation Dept.

Comments: Average Productivity Index: **Parcel A – 40.0**
Parcel B – 45.3

Aerial Map



map center: 48° 58' 1.7, 98° 6' 24.64
scale: 4637

2-163N-58W
Cavalier County
North Dakota



11/16/2012

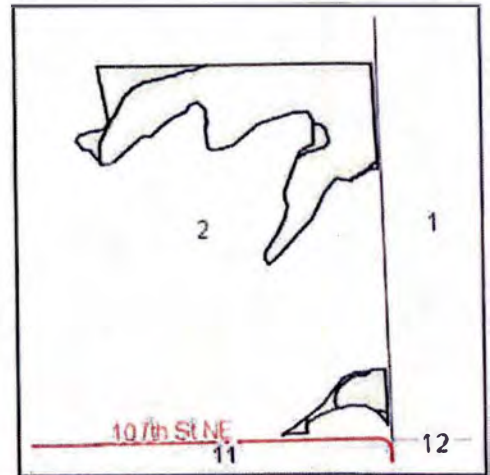
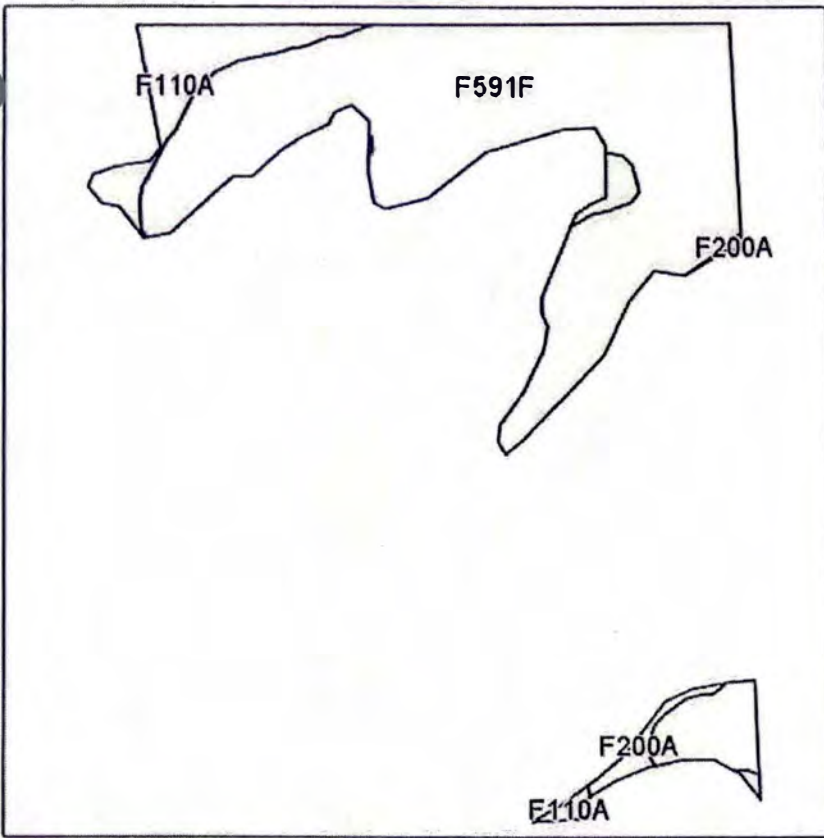
Maps provided by:



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Soils Map



State: **North Dakota**
 County: **Cavalier**
 Location: **2-163N-58W**
 Township: **Fremont**
 Acres: **29.4**
 Date: **11/16/2012**

Field borders provided by Farm Service Agency as of 5/21/2008.
 Soils data provided by USDA and NRCS.

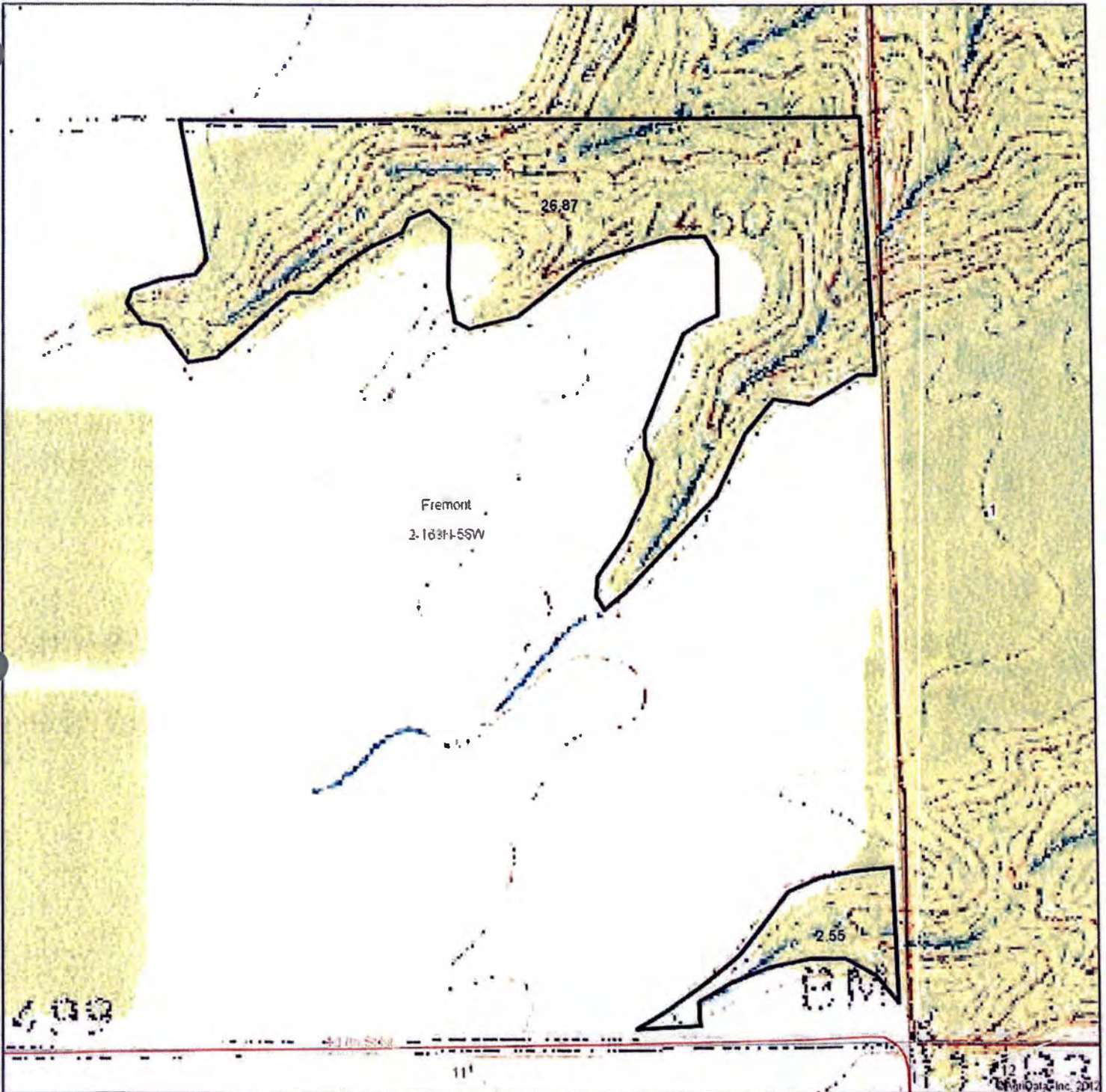


Maps provided by:



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	25.3	85.9%	4.1ft. (Paralithic bedrock)	Ve	224	32
F110A	Suomi, moist-Kelvin complex, 0 to 3 percent slopes	3.5	12.0%	> 6.5ft.	IIs	3880	89
F200A	Kelvin loam, 0 to 3 percent slopes	0.6	2.1%	> 6.5ft.	IIs	2465	88
Weighted Average						709.8	40

Topography Map



map center: 48° 58' 1.7, 98° 6' 24.64
scale: 4637

2-163N-58W
Cavalier County
North Dakota

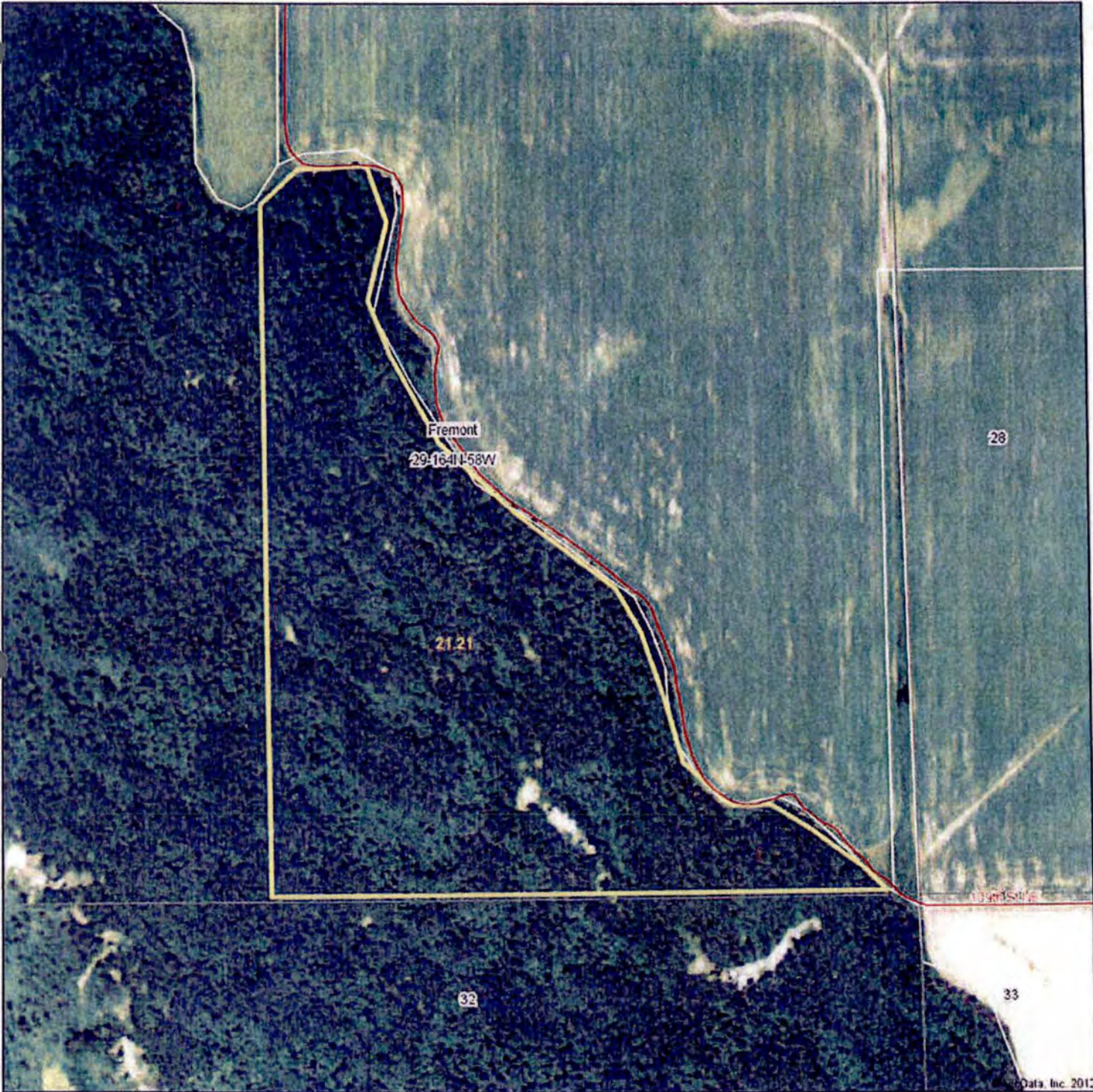


11/16/2012

Maps provided by:



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map center: 48° 59' 39.97, 98° 10' 19.89
 scale: 3463

29-164N-58W
Cavalier County
North Dakota



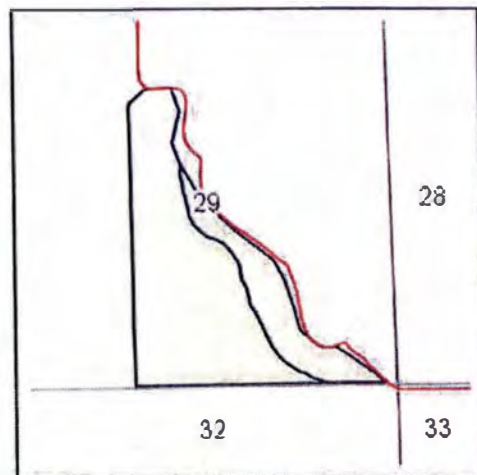
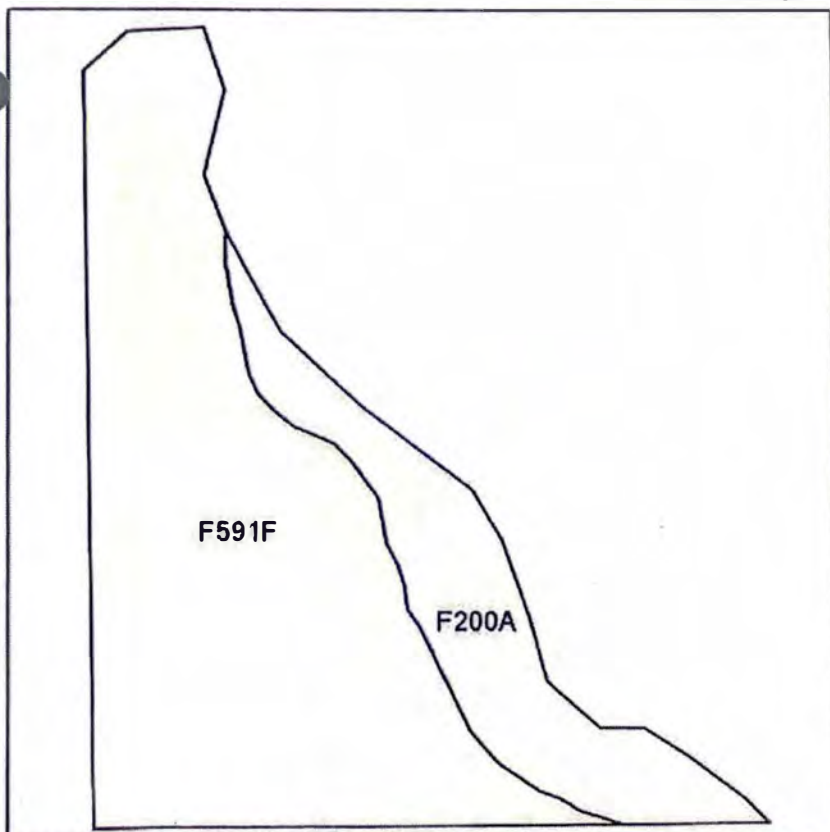
11/16/2012

Maps provided by:


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Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.

Soils Map



State: **North Dakota**
 County: **Cavalier**
 Location: **29-164N-58W**
 Township: **Fremont**
 Acres: **21.2**
 Date: **11/16/2012**

Field borders provided by Farm Service Agency as of 5/21/2008.
 Soils data provided by USDA and NRCS.

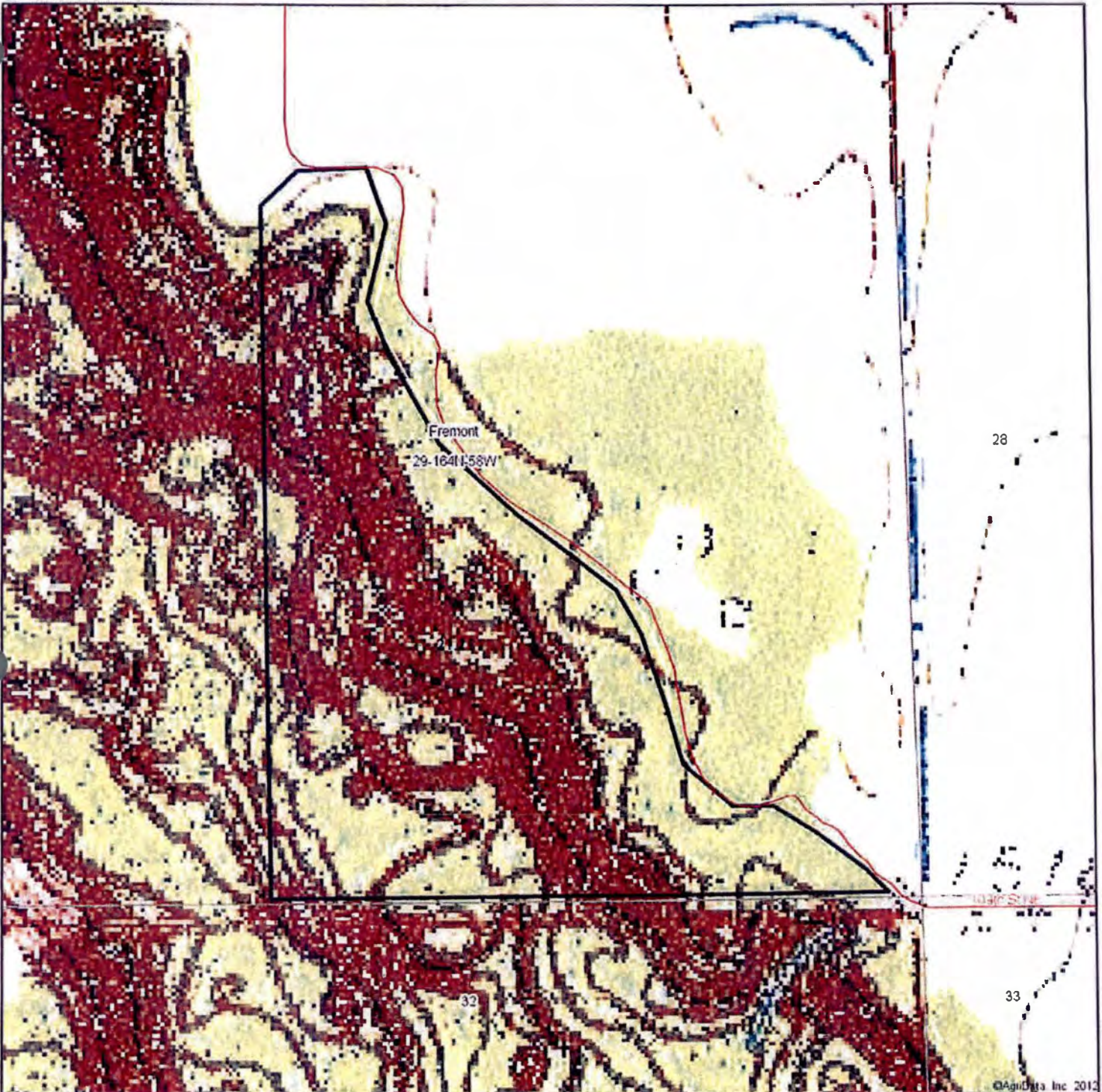


Maps provided by:



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	16.2	76.2%	4.1ft. (Paralithic bedrock)	Ve	224	32
F200A	Kelvin loam, 0 to 3 percent slopes	5	23.8%	> 6.5ft.	IIs	2465	88
Weighted Average						757.4	45.3

Topography Map



©AgriData, Inc. 2012

map center: 48° 59' 39.97, 98° 10' 19.89
scale: 3463

29-164N-58W
Cavalier County
North Dakota



11/16/2012

Maps provided by:



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LAND SALE #4

Date of Sale: November 7, 2008

Location: Sections 11 & 14, Freemont Township, Cavalier County

Grantor: Donald & Evelyn I. Nelson
10204 Hwy 32, Walhalla, North Dakota

Grantee: State of North Dakota - North Dakota Parks and Recreation Dept.
1600 E. Century Avenue, Suite 3, Bismarck, North Dakota

Legal Description: A tract of land in the N ½ of the S W ¼ and the SE ¼ of the SW ¼ of Section 11, and the NW ¼ of the NE ¼ with the NE ¼ of the NW ¼ of Section 14, all in Township 163, Range 58, of the 5th Principal Meridian, Cavalier County, North Dakota.

Parcel Number: 11284011, 11285001, 11285010, 11304000 and 11304010

Zoning: Agricultural

Topography: Level to steeply sloping; slopes to 35 percent.

Soils:

Symbol	Name	Slope Class	Acres	%	PI
F591F	Olga-Kloten complex, wooded	9-35% Ve	156.2	97.9	32
F568A	Fairdale loam, wooded*	0-2% IIc	2.2	1.4	75
F200A	Kelvin loam	0-3% IIs	1.1	0.7	88

**occasionally flooded*

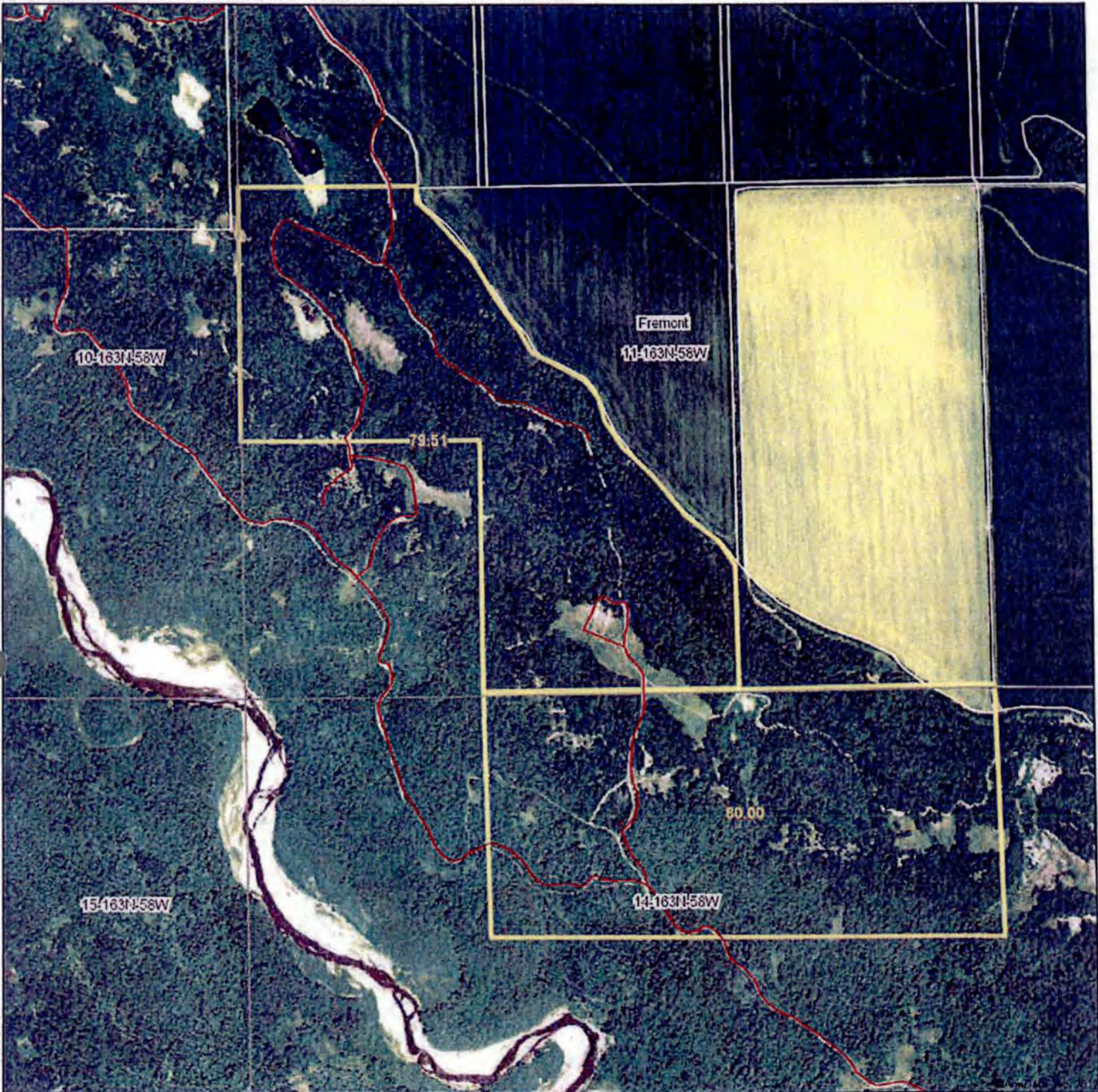
Land Size: 159.513 acres

Sale Price: **\$171,200 WD** (Document #230410)

Unit Price: \$1,073/acre

Confirmed by: State of North Dakota - North Dakota Parks and Recreation Dept.

Comments: Average Productivity Index – 33.0



map center: 48° 57' 3.26, 98° 7' 4.19
scale: 8598

11-163N-58W
Cavalier County
North Dakota



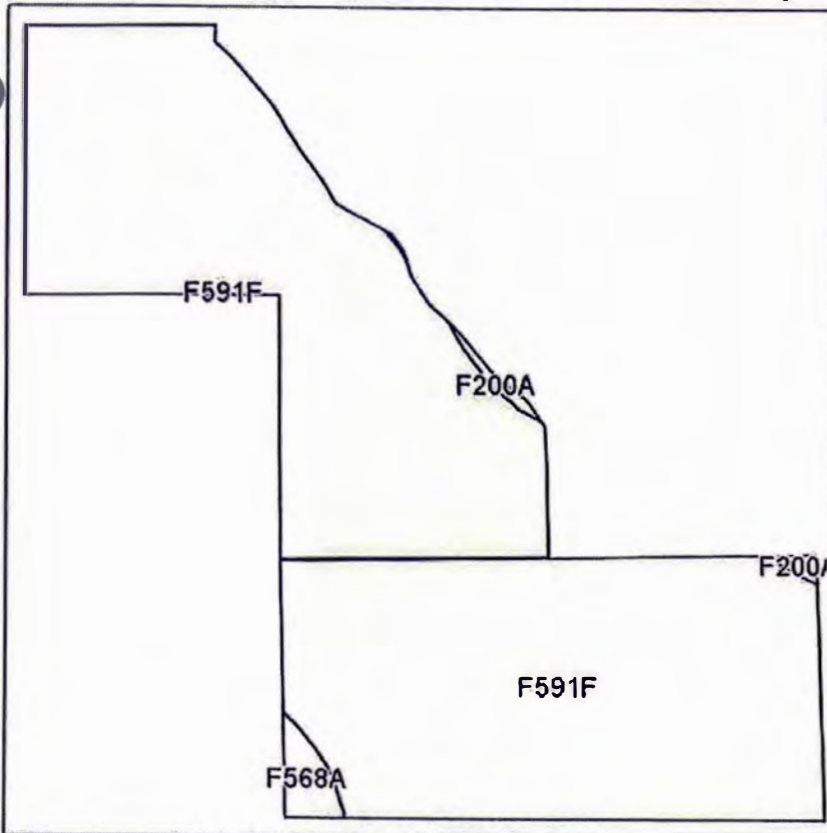
11/19/2012

Maps provided by:



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Soils Map



State: **North Dakota**
 County: **Cavalier**
 Location: **11-163N-58W**
 Township: **Fremont**
 Acres: **159.5**
 Date: **11/19/2012**

Field borders provided by Farm Service Agency as of 5/21/2008.
 Soils data provided by USDA and NRCS.

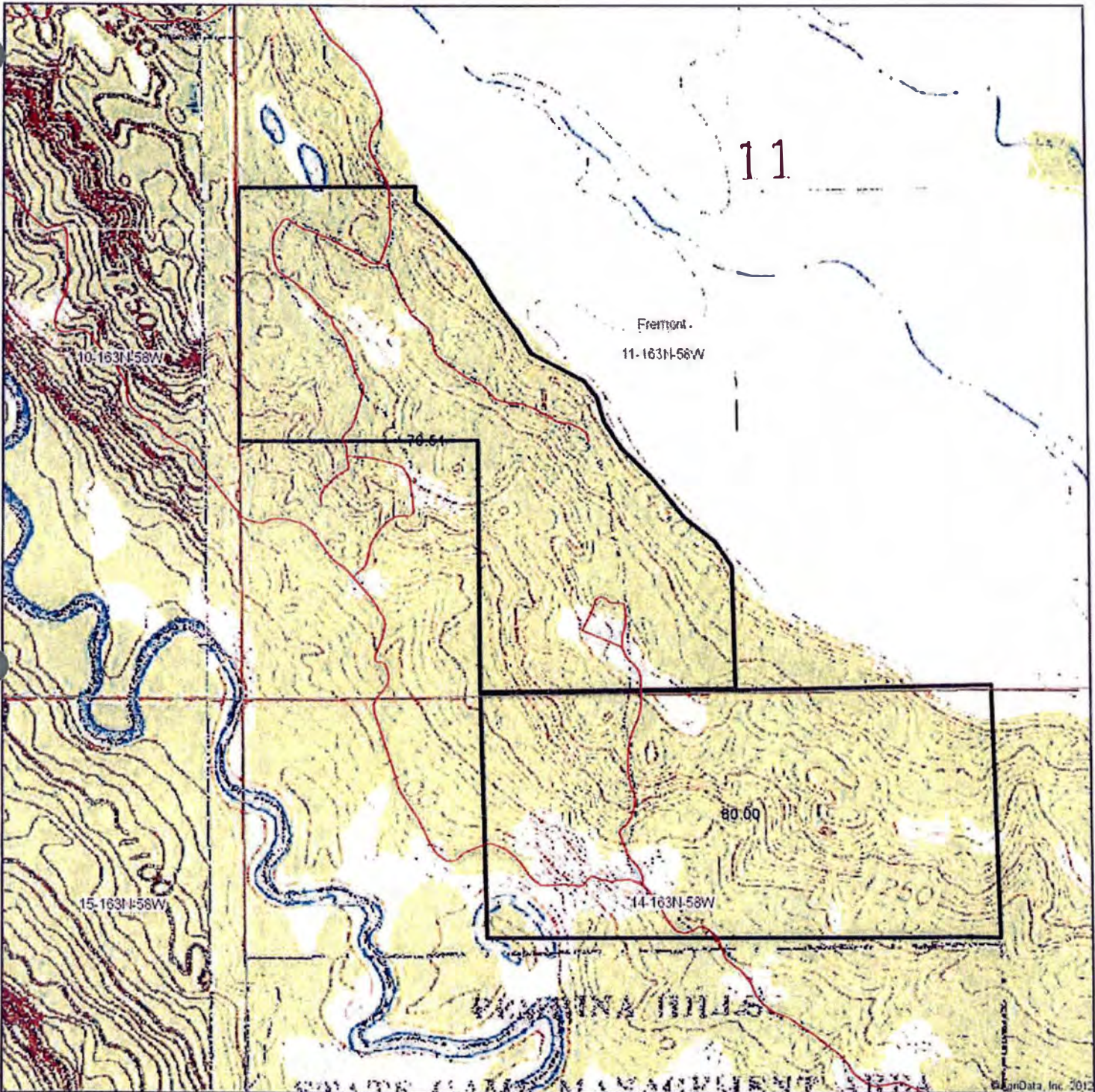


Maps provided by:



Code	Soil Description	Acres	Percent of field	Restrictive Layer	Non-Irr Class	Range Production (lbs/acre/yr)	Productivity Index
F591F	Olga-Kloten complex, wooded, 9 to 35 percent slopes	156.2	97.9%	4.1ft. (Paralithic bedrock)	Ve	224	32
F568A	Fairdale loam, wooded, 0 to 2 percent slopes, occasionally flooded	2.2	1.4%	> 6.5ft.	IIC	375	75
F200A	Kelvin loam, 0 to 3 percent slopes	1.1	0.7%	> 6.5ft.	IIS	2465	88
Weighted Average						241.8	33

Topography Map



map center: 48° 57' 3.26, 98° 7' 4.19
scale: 8598

11-163N-58W
Cavalier County
North Dakota



11/19/2012

Maps provided by:



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APPRAISER'S QUALIFICATIONS

Brian R. Tinjum, MAI

EDUCATION:

North Dakota State University, Fargo, ND
B.S. Degree, Business Administration, May 1987

APPRAISAL EXPERIENCE:

Tinjum Appraisal Company, Inc, Detroit Lakes, MN:
Senior Real Property Appraiser, February 2008 - Present
Real Estate Appraiser, June 1996 – February 2008
Appraisal Trainee under Rodger K. Tinjum, ARA, May 1987 - July 1988

Minnesota Department of Transportation:
Real Estate Representative, Detroit Lakes, MN, June 1996 – February 2008
Right of Way Agent - Appraiser, St. Paul, MN, May 1989 - May 1996
Right of Way Agent, Brainerd, MN, July 1988 - May 1989

Appraised special purpose, commercial, industrial, residential, agricultural, and recreational properties.

Served as expert valuation witness before jury trial and court appointed commissions.

APPRAISAL EDUCATION:

American Institute of Real Estate Appraisers Courses:
Real Estate Appraisal Principles, July 1989
Basic Valuation Procedures, July 1989
Capitalization Theory and Techniques, Part A and B, August 1990

Appraisal Institute Courses:
Case Studies in Real Estate Valuation, August 1992
540: Report Writing and Valuation Analysis, August 1993
210: Residential Case Study, August 1994
410: Standards of Professional Practice, Part A, July 1995
420: Standards of Professional Practice, Part B, July 1995
520: Highest & Best Use and Market Analysis, July 1997
430: Standards of Professional Practice, Part C, May 1999
530: Advanced Sales Comparison and Cost Approaches, July 1999
400: USPAP Update 2003, Standards and Ethics of Professionals, August 2003
Business Practices and Ethics, July 2010

Appraisal Institute Seminars:

The New Uniform Residential Appraisal Report (URAR), December 1993
 Hotel/Motel Valuation, April 1996
 Business Valuation - Part 1 and 2, October 1996
 Small Hotel/Motel Valuation, May 1998
 Case Studies in Commercial Highest and Best Use, June 2001
 Real Estate Finance, Value, and Investment Performance, July 2004
 Evaluating Commercial Construction, January 2005
 Appraising Convenience Stores, July 2007
 Using Spreadsheet Programs in Real Estate Appraisals, June 2010
 Advanced Spreadsheet Modeling for Valuation Applications, January 2011
 Appraising the Appraisal: Appraisal Review – General, November 2011

American Society of Farm Managers and Rural Appraisers Courses:

Requirements of UASFLA – The “Yellow Book”, July 2008
 Valuation of Conservation Easements, September 2008

The Appraisal Foundation:

National USPAP Update Course, September 2004, October 2006, June 2009, July 2010
 National USPAP Course, March 2008,

National Highway Institute Courses:

Basic Relocation, March 2000, February 2002
 Advanced Relocation, July 2002
 Business Relocation, November 2002, February 2007
 Eminent Domain Training for Attorneys and Appraisers, March 2003

Tenth Annual Business Valuation Seminar, University of St. Thomas, Minneapolis
 May 2000

Appraisal seminars sponsored by Minnesota Farm Managers and Appraisers, Inc:

July 1987, February 1988, February 1989, February 1990, January 1991, February 1992, February 1993, and February 1994.


PROFESSIONAL DESIGNATION:

MAI Designated Member of the Appraisal Institute

APPRAISAL LICENSES:

Resident Appraiser: Certified General, State of Minnesota, License ID #4001324
 Certified General Appraiser, State of North Dakota, Permit No. CG-2908

APPRAISER LICENSE

North Dakota Real Estate Appraiser Qualifications and Ethics Board	
This is to certify that: Brian R. Tinjum	
is fully qualified in the State of North Dakota as a: Certified General Appraiser	
Permit Number:	CG-2908
Date of Issuance:	01/01/12
Expiration Date:	12/31/12
<i>Unless sooner suspended or revoked, as provided by law.</i>	
	
Appraiser Signature	

BUSINESS PROFILE

Currently Frost Fire Ski Area and Theater operates two business ventures. The Ski and Snow board recreation venue and the theater venue. The winter operation occurs between December and March for 4 months of the year and the Theater in the summer is typically approximately 6 weeks. The rest of the year the facility is inactive in terms of revenue generating activities. The ski venue has approximately 15,000 participants per year.

The revenue generated for the business averages about \$529,000 per year. This revenue is from the lift ticket prices and the tickets for the theater performances. The cost of Goods sold reduces that revenue by approximately 9% so the net revenues are \$481,300.

Expenses average about \$385,000 per year. Expenses include wages, benefits, marketing, insurance, utilities, maintenance and repairs, supplies and other miscellaneous expenses. With a 5% percent replacement reserve the expenses exceed \$410,000.

Average net income is less than \$100,000 per year. *These costs do not include a management fee cost. Currently the facility is managed by the owners.

Potential:

The ski and snow board venue is limited by the weather and the ability to keep snow on the slopes. Frost Fire has nine (9) snow makers and if weather is 21 degrees or below has the ability to make snow on all the runs, and normally are open Thanksgiving week-end, which does give them an advantage over other like resorts. With the number of runs it would appear that there is room to expand the usage. Exploration of this opportunity is warranted. Currently all runs face the east and property is available on the west side of the property to expand the ski and snow board runs.

The Theater venue is sold out for the period of time productions are offered. Again, perhaps there is opportunity to expand this function with another production or other entertainment brought to the site. The Amphitheater is a unique facility for entertainment.

The dining/food opportunity is perhaps another opportunity as there are few options in the area for dining experiences. Providing an expanded menu and additional hours in the evening may generate additional revenue.

Area Potential:

The Rendezvous Region holds many advantages for development and growth for Frost Fire to expand.

The Pembina Gorge encompasses the largest uninterrupted block of woodlands in North Dakota, and the longest segment of unaltered river valley in the state.

With the recent development of the Pembina Gorge State Park Recreation Area the new multiuse trail is designed to accommodate non-motorized and motorized traffic, including the three classes of OHVs – dirt bikes, four wheelers and side-by-sides.

While designed for the use of OHVs it is also open to hikers, mountain bikers and horseback riders to explore the Pembina Gorge. The trail head is located 1 mile north, 1 mile west, and ¼ mile north of the beautiful Walhalla Country Club and three (3) miles from Frost Fire. The trail is made possible through the North Dakota Park and Recreation Department's partnerships with state agency and private landowners. An additional 12-mile loop is being planned as well as more traditional, non-motorized trail opportunities.

The Tetrault Woods State Forest, located south of Walhalla, is undergoing non motorized trail enhancements which will provide an unforgettable experience through the woods for hikers, bikers and horseback riders.

Rendezvous Region Scenic Backway:

This backway located in northeast North Dakota is a special place steeped in history, with natural resources, recreation, scenic beauty, and culture. Winding along the bends of the Pembina River you can enjoy the panoramic view of the Pembina Gorge along with the year-round recreational opportunities of the area.

13.8148.03001
Title.

3-27-13 HB1019 Subcom
Prepared by the Legislative Council staff for
Senator Carlisle

A J

March 16, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$6,765,722	\$18,640,068
Grand total special funds	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Grand total all funds	\$23,515,878	\$7,563,702	\$31,079,580"

Page 2, after line 22, insert:

"Brady artifact collection 0 42,500"

Page 2, replace lines 24 through 26 with:

"Total all funds	\$5,777,210	\$7,205,300
Less estimated income	<u>1,028,000</u>	<u>1,937,800</u>
Total general fund	\$4,749,210	\$5,267,500"

Page 3, after line 19, insert:

"SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$42,500, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of purchasing the collection of military artifacts currently on display at Fort Abraham Lincoln state park, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Re-number accordingly

Prepared by the Legislative Council staff
for

March ?, 2013

1
Subcomm
4-2-13
HB1019

LISTING OF PROPOSED CHANGES TO HOUSE BILL NO.

Department -

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 restore House adjustment to compensation package		\$347,944	\$7,442	\$355,386
2 Restore House change relating to accrued leave - net effect \$0, change line item Administration - \$26,757 Natural resources - \$142,170 Recreation - \$12,650 Accrued leave payments - (\$181,577)				
3 Restore House change to funding for marina to bring back to \$800,000		\$175,000	\$175,000	\$350,000
4 Brady collection of military artifacts from Fort Abraham Lincoln (13.8148.03001) optional package adjustments not included in executive rec or House version		\$42,500		\$42,500
5 One time equipment purchase (exec rec included \$300,000 from other funds)		\$150,000		\$150,000
6 Salary increase to address Hay Group recommendation (exec rec included \$672,790)		\$487,274		\$487,274
7 New administrative assistant positions (exec rec included 1 FTE)	2.00	\$174,345		\$174,345
8 Information technology position	1.00	\$110,383		\$110,383
9 Community grants program (exec rec included \$400,000)		\$600,000		\$600,000
10 Recreation Educator position	1.00		\$132,929	\$132,929
11 Increase Game and Fish cooperative agreement funding			\$70,000	\$70,000
12 new capital projects (exec rec included \$3,730,000)		\$300,000	\$320,000	\$620,000
13 Peace Garden capital projects		\$4,716,000		\$4,716,000
14				\$0
15				\$0
Total proposed funding changes		<u>\$7,103,446</u>	<u>\$705,371</u>	<u>\$7,808,817</u>

Other proposed changes:

- 1
- 2
- 3
- 4

Krebsbach, Karen K.

2
Subcomm HB1019
4-2-13

From: sgoettle@odney.com
Sent: Tuesday, April 02, 2013 10:27 AM
To: Krebsbach, Karen K.; Lee, Gary A.; O'Connell, David P.
Cc: Armstrong, Kelly
Subject: Captain Kit's Marina's Financial Status

Senators,

On behalf of Captain Kit's Marina, I am asking that you restore the Governor's request of \$800,000. We know this does not represent the final deal and that the state must go through it's due diligence before framing an offer. However, to even get these parties to the table, there must be adequate resources. The House's action of cutting the funding to \$450,000 means there would be no deal.

We would submit that this will be a good purchase for the state. The business has cash-flowed for 25 years. The current owners just want to retire from the business and the State of North Dakota is the only buyer they can turn to. Without a long-term lease, no third party would be interested in the business. Currently, there is no lease arrangement, not even for the 2013 season.

I also want address some hallway rumors that I picked up in recent days about the Marina's financial status--specifically that a bank foreclosure was imminent. There is NO truth to these rumors.

This morning I spoke with Bob Larson of North Country Bank. Captain Kit's Marina has been doing business with North Country Bank for 25 years. Mr. Larson confirmed for me that the Marina is current on its obligations with the bank and there is absolutely NO discussions of foreclosure. He stated "that's the farthest from the truth."

If you want to verify that for yourself, please give Bob Larson, North Country Bank, a call. His number is: 701-442-3722. He is willing to confirm that there is no truth to the rumors of a foreclosure by the bank.

If you have any concerns about this potential transaction, I am more than willing to address them straight up. Please do not hesitate to catch me in the hallway, by email, or by phone (701-426-0576).

Shane Goettle
On Behalf of Captain Kit's Marina

Sent from my Verizon Wireless BlackBerry



Doug Hevenor
HB 1019
4-2-13
Subcomm

#3

March 14, 2013 10:00 AM Harvest Room North Dakota Legislature

Good Morning Chairman Holmberg and Committee members,

I would like to thank you and North Dakota Parks & Recreation Director Mark Zimmerman for the opportunity to come and testify today in support of HB 1019. My remarks will address the State Grant for the International Peace Garden

During the 62nd Legislative Assembly of the State of North Dakota appropriated \$1,000,699.00 for 2011-2013 funding. The allocation included \$267,000.00 in Capital Funding for the Conservatory expansion and the 911 Stroll & Contemplative Garden.

The Basic and the first section of the Operational Adjustment portions of this budget request will deal with the ongoing operational needs of the IPG. The current North Dakota allocation is \$733,699.00 as established during the 2011-2013 session.

Optional Adjustment Request

We have made a request for an increase of \$100,000 annually to the annual allocation from North Dakota to the IPG for \$200,000 per biennium. The Governor's budget suggests this request.

This optional adjustment request includes two areas of concern. The funds \$200,000 for the Biennium will target two core areas:

1. Wages for acquisition and retention of employees. We are now feeling the effect of the Bakken Shale Oil expansion as it moves nearer to Bottineau and Rolette Counties and it is becoming harder and harder to retain and locate young low wage workers to either make a career with us at the IPG or come and work seasonally here at the Peace Garden.

2. Enhanced advertising and promotion with our new facilities and the spectacular Succulent Collection we need to increase our advertising and promotion for the Peace Garden.

In the Governor's Budget the State provided for this operational increase of \$200,000 and we would encourage you to approve and pass this increase as presently indicated in HB 1019.

Capital Requests

The International Peace Garden is also made two Capital project requests. The first is for a pre-appropriation request to investigate the best plan of action to deal with the degradation to the columns and cross member beams of the Peace Tower and a second request for Water & Wastewater Infrastructure Upgrades.

Neither of these requests were included in the Governor's Budget. We ask that you consider them and approve them as Senate Legislative changes to Capital Appropriations for HB 1019.

Planning Pre-Appropriation Peace Tower

\$500,000

In 1980 the North Dakota Historical Society, The National Parks Service and the International Peace Garden worked jointly to provide funding for the design & construction of the Peace Tower.

Our Plan is to work with Kadmas, Lee Jackson (KL&J) from Bismarck North Dakota. KL&J provides a wide range of structural engineering services. Their engineers are experienced in aviation, energy, industrial, land management, transportation and water-resource management structures. Their versatile team designs with a variety of building materials including aluminum, concrete, and masonry, steel and wood. They also specialize in Foundation Design, Structural Load Rating of Existing Systems, and Structural Assessments.

In the past, the ND Legislature has provided funding for pre-appropriations. We are asking for such a pre-appropriation to study of the best plan of action to deal with this problem with the Peace Tower. We believe that that the Province of Manitoba will assist in funding the actual repair of the towers so we anticipate these construction costs could be shared between Province and State. Because of the high degree of appreciation of this structure, we also believe that we could be successful in acquiring some private funds towards the future repair.

The Peace Tower was constructed from 1980 to 1983. In 1984, the base pools began leaking and had to be drained and filled with rock. In the early 1990's the concrete floors and base started cracking and heaving. Concrete resurfacing has been ongoing to the sidewalks and floor basal area. In 2011, we spent \$25,000 resurfacing sidewalks and landings at or near the Peace Tower.

During the winter of 2011, rust spots from the iron-rebar, reinforcing, rods started to become visible on the Peace Towers outer service. At the same time, white calcium deposits have shown up leaking down the side of the Peace Tower. In the spring of 2012 small pieces of cement have started falling and the towers cross members have visible scaring and abrasion on the horizontal connecting cross members. We are also starting to see major cracking and fracturing in the on ground basal structures. As the Peace Tower continues to degrade, the IPG will have to restrict entry to the base area of the tower and make plans to deal with the future removal of the towers.

No professional engineering study has been undertaken to date. We have had two independent contractors offer opinions concerning the towers. They both suggested that the towers would continue to degrade and eventually become unsafe for pedestrian traffic underneath them on the floor base.

We have determined that the original construction tender was for \$1,350,000 in 1980. If the Peace Tower were constructed now in 2013, the associated cost would be \$6,356,054 USD (if designed & tendered summer 2013)

It has now been 30-years since construction was completed. We want to find out through an engineering study how we can make this tower last for many, many more years or consider the costs of removing it completely.

Moreover, over hundreds of thousands of visitors have come to the International Peace Garden to see this "Iconic Peace Tower" looking across the State of North Dakota from its Northern Border.

Infrastructure Requirements

Water system	\$ 1,500,000
Sewer System	\$ 1,075,000
Roads, Ditches & Throughways	\$ 875,000
Design	\$ 245,000
General Contractor	\$ 245,000
Soft Costs	\$ 276,000
Total Costs	\$ 4,416,000

The sewer waste and water systems, were installed and renovated from the 1930's and 1950's, with the current systems being developed in the late 1970,s and early, 1980's.

These are our primary and only sources to supply our needs. At this time, there is no County source for water supply or sewage evacuation available to the International Peace Garden (IPG)

We recently completed a Water & Wastewater Assessment hiring the firm AECOM/Earth Tech working from two of their office sites in Minneapolis-St Paul, Minnesota and Winnipeg, Manitoba. We completed pipe evaluation inspected several main water unions, completed geotechnical tests and usage calculations to determine our needs. Two reports were compiled supporting the identified costs:

- (i) Waste water System Assessment for the IPG
- (ii) Water Assessment for the IPG

We believe adequate planning has been completed for this project by consulting industry experts. We do not feel that we need to incur more, exploratory costs. We believe that there is an opportunity to have these costs shared with Manitoba.

These systems are privately operated by the IPG and we have no other sources for water or treatment of wastewater available to us from Rolette County. Without these systems in operation, the Peace Garden would eventually not be able to continue to operate them and continue to meet the State Health code.

Respectfully,



Doug Hevenor, CEO

10939 Hwy 281
Dunseith, ND 58329-9445
(701) 263-4390

Toll Free (888) 432-6733
FAX (701) 263-3169

P.O. Box 419
Boissevain, MB ROK OEO
(204) 534-2510

13.8148.03002
Title.

Prepared by the Legislative Council staff for
Senator Carlisle

March 16, 2013

of
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4-02-13
HB 1019

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$9,873,222	\$21,747,568
Grand total special funds	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Grand total all funds	\$23,515,878	\$10,671,202	\$34,187,080"

Page 2, after line 22, insert:

"Lewis and Clark interpretive center expansion	0	3,150,000"
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Page 2, replace lines 24 through 26 with:

"Total all funds	\$5,777,210	\$10,312,800
Less estimated income	<u>1,028,000</u>	<u>1,937,800</u>
Total general fund	\$4,749,210	\$8,375,000"

Page 3, after line 19, insert:

"SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,150,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of a one-time grant for expansion of the Lewis and Clark interpretive center, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Re-number accordingly

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$235,132	\$2,720,017
Natural resources	12,768,203	6,588,206	19,356,409
Recreation	<u>7,489,091</u>	<u>1,870,750</u>	<u>9,359,841</u>
Total all funds	\$22,742,179	\$8,694,088	\$31,436,267
Less estimated income	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Total general fund	\$11,100,647	\$8,543,666	\$19,644,313
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$2,700,000</u>	<u>\$3,473,699</u>
Total general fund	\$773,699	\$2,700,000	\$3,473,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$11,243,666	\$23,118,012
Grand total special funds	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Grand total all funds	\$23,515,878	\$11,394,088	\$34,909,966"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210		\$3,955,300
Parks equipment	116,000		375,000
Lewis and Clark interpretive center grant	0		3,150,000
Little Missouri state park trail leases	85,000		0
Parks SCORP plan	40,000		0
Parks strategic plans	0		100,000
Community grant program	0		600,000
International Peace Garden capital projects	<u>267,000</u>		<u>2,500,000</u>
Total all funds	\$5,777,210		\$10,680,300
Less estimated income	<u>1,028,000</u>		<u>1,282,800</u>
Total general fund	\$4,749,210		\$9,397,500"

Page 3, line 15, replace "\$400,000" with "\$600,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 7. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$2,500,000 from the general fund included in subdivision 2 of section 1 of this Act is for capital projects at the International Peace Garden and is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources.

SECTION 8. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$600,000 is from special funds derived from federal funds and other income, for various capital projects, which is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
International Peace Garden				
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Bill total				
Total all funds	\$28,936,484	\$31,037,080	\$3,872,886	\$34,909,966
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$17,144,649	\$18,597,568	\$4,520,444	\$23,118,012

House Bill No. 1019 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administration	\$2,719,322	\$2,652,000	\$68,017	\$2,720,017
Natural resources	19,234,022	21,256,353	(1,899,944)	19,356,409
Recreation	6,009,441	5,973,451	3,386,390	9,359,841
Accrued leave payments		181,577	(181,577)	
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
FTE	55.00	55.00	0.00	55.00

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

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grants Program ⁶
Administration	\$41,260	\$26,757				
Natural resources	290,386	142,170	350,000	42,500	75,000	
Recreation	23,740	12,650				200,000
Accrued leave payments		(181,577)				
Total all funds	\$355,386	\$0	\$350,000	\$42,500	\$75,000	\$200,000
Less estimated income	7,442	0	175,000	0	0	0
General fund	\$347,944	\$0	\$175,000	\$42,500	\$75,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant ⁷	Removes Funding for Walhalla Gorge Property ⁸	Total Senate Changes
Administration			\$68,017
Natural resources		(2,800,000)	(1,899,944)
Recreation	3,150,000		3,386,390
Accrued leave payments			(181,577)
Total all funds	\$3,150,000	(\$2,800,000)	\$1,372,886
Less estimated income	0	(830,000)	(647,558)
General fund	\$3,150,000	(\$1,970,000)	\$2,020,444
FTE	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

³ Funding removed by the House for purchase of a marina is restored to the executive budget recommendation level.

⁴ Funding is added for purchase of a military artifact collection currently on display at Fort Abraham Lincoln State Park.

⁵ Funding is added for one-time equipment purchases of picnic tables (\$50,000) and fire rings (\$25,000).

⁶ Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$600,000.

⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark interpretive center expansion.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed.

A section is added to provide for an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Peace Garden Capital Projects ¹	Total Senate Changes
International Peace Garden	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	0	0

General fund	\$2,500,000	\$2,500,000
FTE	0.00	0.00

¹ Funding is added for capital projects at the International Peace Garden.

A section is added requiring funds for capital projects of the International Peace Garden.

Gary Satern

4/28/08

Appraisal of Harold Brady Collection
Request of Fort Abraham Lincoln Foundation

This is not a replacement cost appraisal for the reason that the conditions when the items were collected do not exist in today's world. The value shall be set on the total of the artifacts and their place in history.

I have set my appraisal of \$42,500 on the quantity and quality of the items in the thousands collected, dating back to the 1920's, and skillfully displayed in eighty cases which record the history of Fort Abraham Lincoln.

The value in part is based on the private treaty sales, auctions and "The Official Price Guide to Military Collectibles" By Colonial Robert H. Ramkin, along with my thirty years of museum, collecting and appraisal background.

Also factored in is the knowledge that any item connected to General George Custer will have a serious increase in market value.

The placing of this collection back to the site where it was collected, also adds value to the collection while enhancing the attraction for the visitors to Fort Lincoln.

Please see attachments – i.e. photos, recorded narrative history by Harold Brady

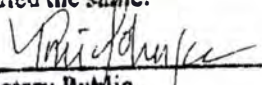
Gary Satern



State of North Dakota
County of Burleigh

On this 28 date of April, 2008, before me the undersigned, a notary public in and for the said state, appeared Gary Satern known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed in the foregoing instrument acknowledged that he/she executed the same.

TONI JOHNSON
Notary Public
State of North Dakota


Notary Public
My commission expires:
Jan. 7, 2014

**Lewis & Clark Interpretive Center
\$3 Million Request to Complete Funding of Expansion/New Exhibits**

This amendment will provide a grant to the Lewis & Clark Fort Mandan Foundation of Washburn to complete the funding for a 9,000 square foot expansion and new exhibits at the North Dakota Lewis & Clark Interpretive Center.

Through a unique public-private partnership, the Foundation has been responsible for the operation and maintenance of this State-owned facility since 1997. Over the years, the State has granted \$2.45 million to the Foundation. During that time, the Foundation has raised over \$20 million in non-State funding. (see charts attached)

This request will help the Foundation complete the expenses of the major improvements to the Interpretive Center. The balance of an \$8 million capital campaign is being raised by the Foundation, which will be used for an endowment fund for future maintenance and care of the facility, along with related expenses.

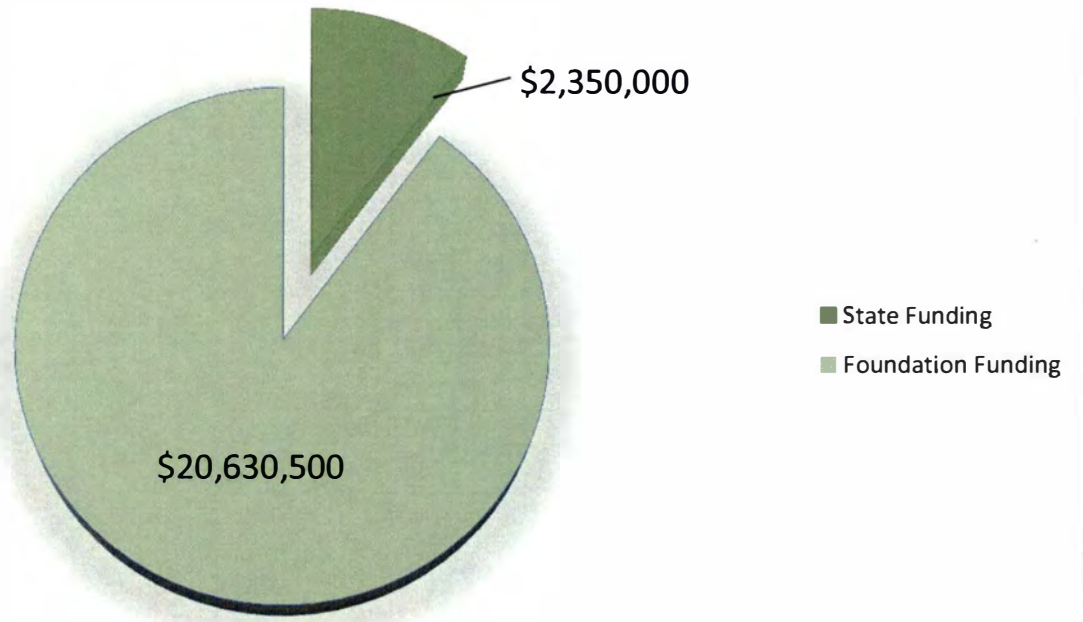
The Interpretive Center is a State-owned facility, with all ongoing expenses, including maintenance and care, borne by the non-profit Lewis & Clark Fort Mandan Foundation in a successful public-private partnership that saves North Dakota taxpayers over \$1 million a year.

This is a one-time expenditure.

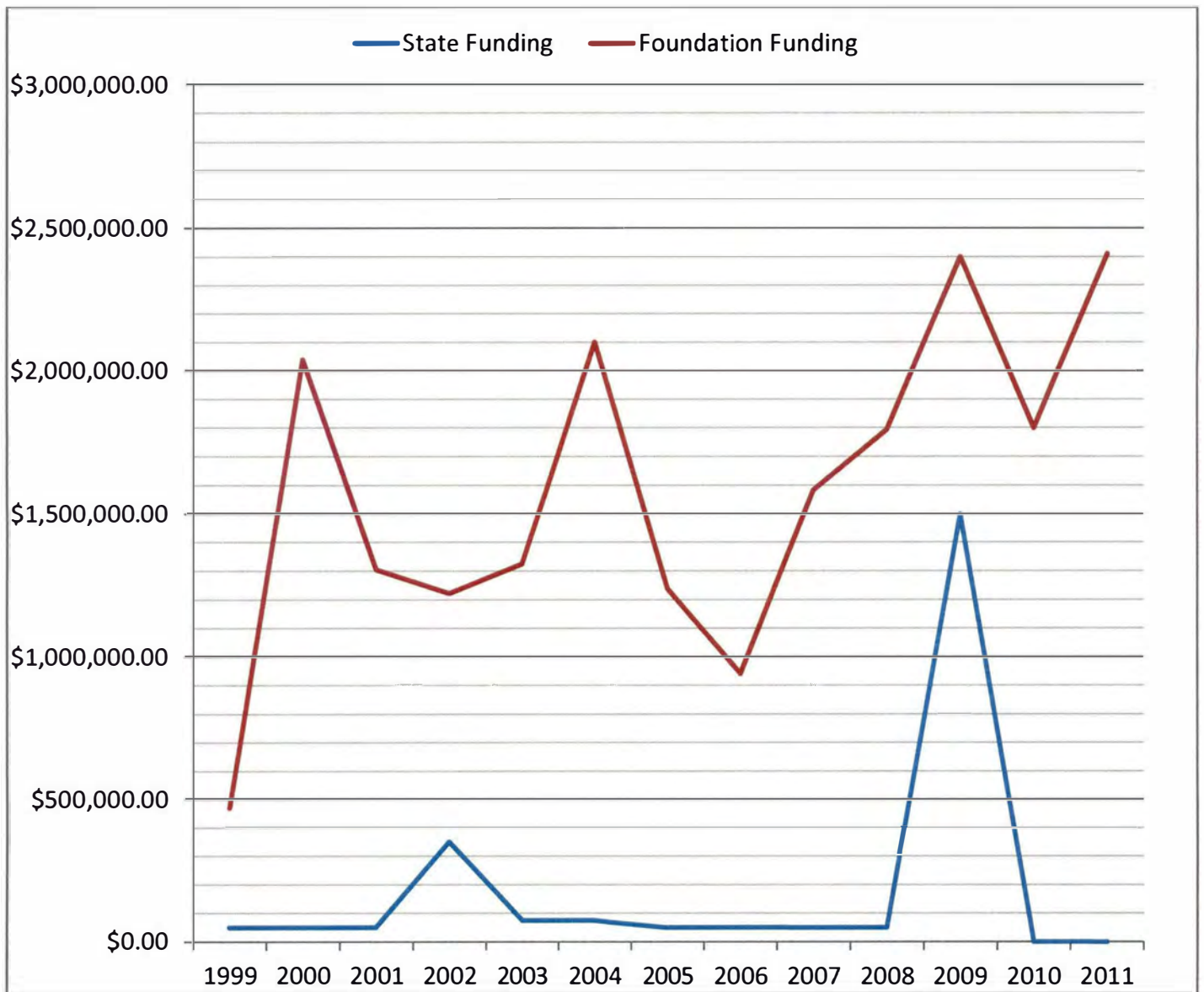
The Interpretive Center includes a 24-hour official US Highway 83 rest area, maintained by the Foundation for the ND Department of Transportation.

The Interpretive Center welcomes 50,000 visitors a year from all 50 states and dozens of foreign countries, providing an economic stimulus to the region through tourism dollars.

Lewis & Clark Fort Mandan Foundation Funding 1999-2011



Funds Provided by State of North Dakota and Lewis & Clark Fort Mandan Foundation 1999-2011





HB 1019 # 4
4-5-13

January 16, 2013

Representative Robert Skarphol
Chairman, House Appropriations, Education and Environment Division
State Capitol
Bismarck, North Dakota

Dear Chairman Skarphol and Committee Members

Our Foundation respectfully requests that as you review HB 1019, the budget for ND Parks and Recreation, you amend the bill by adding \$3 million as a grant to our Foundation through the agency, for the purpose of finalizing the fundraising necessary for expansion and new exhibits of the State-owned North Dakota Lewis & Clark Interpretive Center. ND Parks and Recreation holds title to the Interpretive Center building and 16 acres.

Our project cost is \$5.5 million, with a total campaign goal of \$8 million, which includes funds for our endowment trust to ensure future maintenance and sustainability. This appropriation will bring total State funding on this project to \$4.5 million. We have raised over \$2 million in private donations thus far.

As the attached chart shows, over the past 15 years, our Foundation has matched 10 to 1 any State funding provided us, as we welcome hundreds of thousands of visitors from around the world, on behalf of the People of North Dakota.

Our public-private partnership has proven of great value to the State, and we appreciate your consideration at this time. We will provide additional supporting data and information for your benefit when we may meet with you.

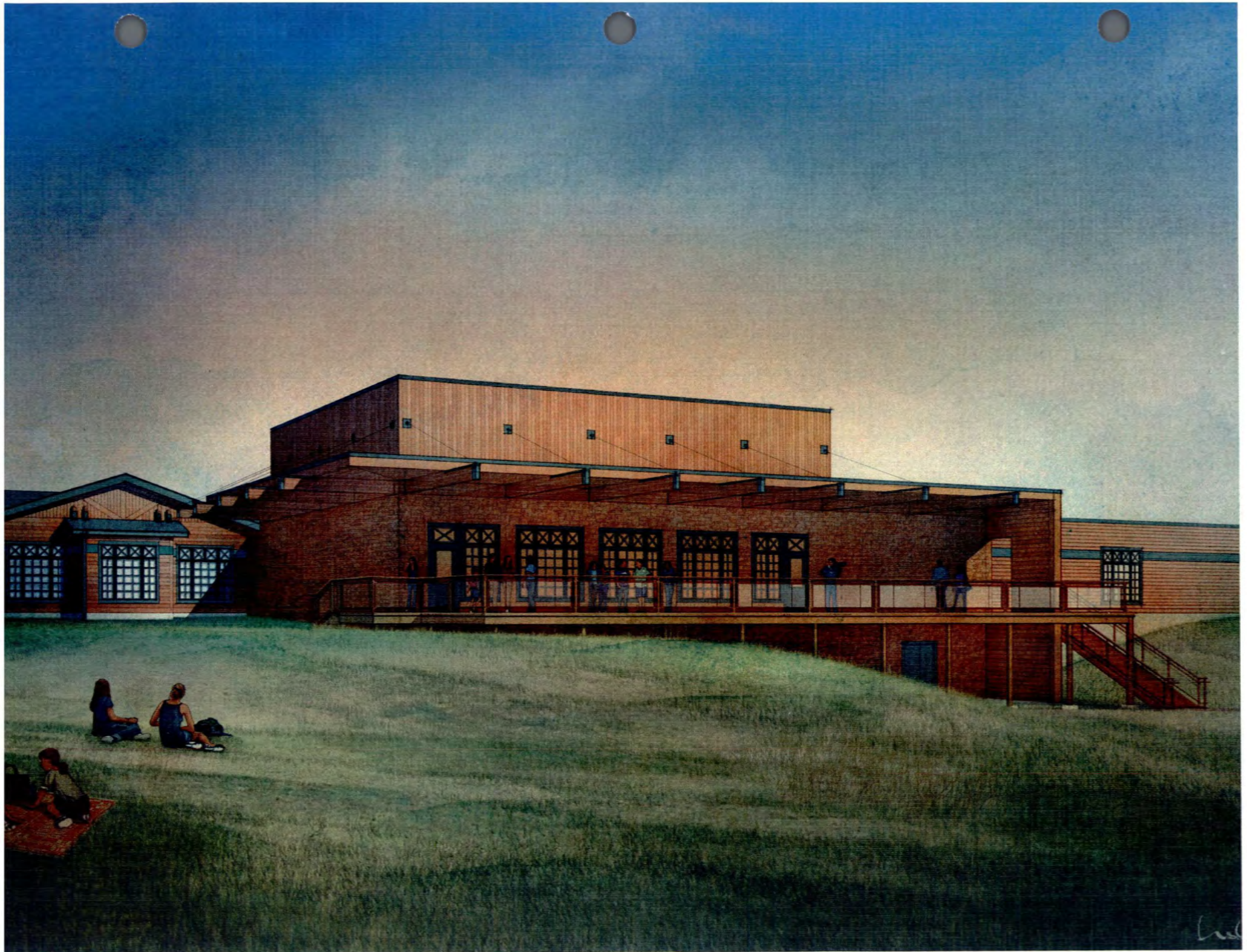
We have enjoyed your support in the past, and appreciate your consideration for this one-time expenditure for a State-owned facility that is world-class and getting better!

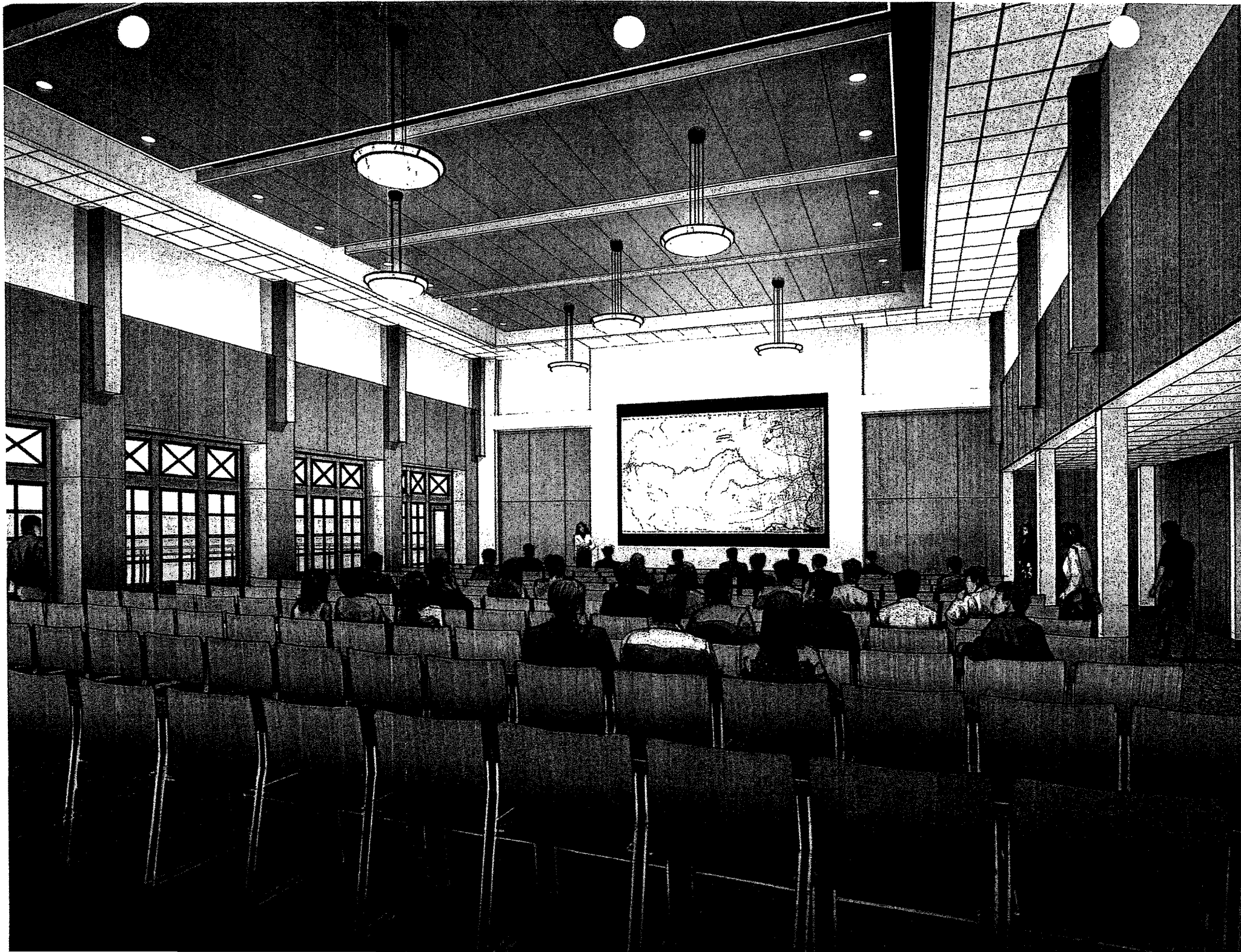
Sincerely

David Borlaug, President

CC: Board Members Al Christianson, Dennis Boyd, Kari Cutting, Dave Searle, Kathy Neset, David Lindell, Paul Sukut, Fran Gronberg and Joe Hauer; Vice President Wendy Spencer









Financial Statements
December 31, 2011 and 2010
**Lewis & Clark Fort Mandan
Foundation, Inc.**

Lewis & Clark Fort Mandan Foundation, Inc.
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December 31, 2011 and 2010

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Lewis & Clark Fort Mandan Foundation, Inc.
Washburn, North Dakota

We have audited the accompanying balance sheets of Lewis & Clark Fort Mandan Foundation, Inc. as of December 31, 2011 and 2010, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lewis & Clark Fort Mandan Foundation, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Bismarck, North Dakota
July 20, 2012

Lewis & Clark Fort Mandan Foundation, Inc.

Balance Sheets

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash and cash equivalents	\$ 562,925	\$ 486,417
Certificates of deposit	209,348	515,546
Accounts receivable	6,062	2,438
Pledges receivable (net of allowance for uncollectibles of \$333,864 and \$86,546 and discount on pledges of \$94,503 and \$50,308 in 2011 and 2010, respectively)	1,081,403	1,153,178
Grants receivable	-	15,000
Accrued interest receivable	2,403	2,403
Inventory	146,326	178,275
Investments	470,698	492,909
Prepaid expenses	15,272	9,035
Real estate held for sale	158,860	-
Property and equipment, net	4,387,467	3,184,046
	<u>\$ 7,040,764</u>	<u>\$ 6,039,247</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 11,258	\$ 33,821
Accrued expenses	50,388	49,653
	<u>61,646</u>	<u>83,474</u>
Net Assets		
Unrestricted		
Undesignated	4,868,878	3,782,291
Board designated	450,000	500,000
Temporarily restricted	1,095,240	1,108,482
Permanently restricted	565,000	565,000
	<u>6,979,118</u>	<u>5,955,773</u>
Total net assets	<u>\$ 7,040,764</u>	<u>\$ 6,039,247</u>
Total liabilities and net assets	<u>\$ 7,040,764</u>	<u>\$ 6,039,247</u>

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains and Other Support				
Contributions	\$ 163,895	\$ 927,138	\$ -	\$ 1,091,033
Grants	1,464,707	-	-	1,464,707
Memberships	47,515	-	-	47,515
Admissions	39,600	-	-	39,600
Interpretive programs	-	13,883	-	13,883
Gift shop income - Center	132,965	-	-	132,965
Concessions	756	-	-	756
Memorials	4,775	-	-	4,775
Investment loss	(17,682)	-	-	(17,682)
Other income	16,244	-	-	16,244
Net assets released from restrictions	954,263	(954,263)	-	-
Total revenue	2,807,038	(13,242)	-	2,793,796
Expenses				
Program services				
Interpretive Center	559,945	-	-	559,945
Fort Mandan	454,793	-	-	454,793
Special events	23,401	-	-	23,401
Support services				
General and administrative	342,010	-	-	342,010
Fundraising	390,303	-	-	390,303
Total expense	1,770,451	-	-	1,770,451
Change in Net Assets	1,036,587	(13,242)	-	1,023,345
Net Assets, Beginning of Year	4,282,291	1,108,482	565,000	5,955,773
Net Assets, End of Year	\$ 5,318,878	\$ 1,095,240	\$ 565,000	\$ 6,979,118

See Notes to Financial Statements

Lewis & Clark Fort Mandan Foundation, Inc.
 Statements of Activities
 Years Ended December 31, 2011 and 2010

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, Gains and Other Support				
Contributions	\$ 416,187	\$ 552,602	\$ -	\$ 968,789
Grants	111,179	-	-	111,179
Memberships	55,165	-	-	55,165
Admissions	69,842	-	-	69,842
Interpretive programs	-	12,565	-	12,565
Gift shop income - Center	160,582	-	-	160,582
Concessions	254	-	-	254
Memorials	1,990	-	-	1,990
Investment income	62,644	-	-	62,644
Other income	5,271	-	-	5,271
Net assets released from restrictions	338,761	(338,761)	-	-
Total revenue	<u>1,221,875</u>	<u>226,406</u>	<u>-</u>	<u>1,448,281</u>
Expenses				
Program services				
Interpretive Center	557,699	-	-	557,699
Fort Mandan	462,003	-	-	462,003
Special events	27,182	-	-	27,182
Support services				
General and administrative	385,997	-	-	385,997
Fundraising	174,756	-	-	174,756
Total expense	<u>1,607,637</u>	<u>-</u>	<u>-</u>	<u>1,607,637</u>
Change in Net Assets	<u>(385,762)</u>	<u>226,406</u>	<u>-</u>	<u>(159,356)</u>
Net Assets, Beginning of Year	<u>4,668,053</u>	<u>882,076</u>	<u>565,000</u>	<u>6,115,129</u>
Net Assets, End of Year	<u>\$ 4,282,291</u>	<u>\$ 1,108,482</u>	<u>\$ 565,000</u>	<u>\$ 5,955,773</u>

Lewis & Clark Fort Mandan Foundation, Inc.

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Activities		
Change in net assets	\$ 1,023,345	\$ (159,356)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	91,407	94,677
Unrealized loss (gain) on investments	35,500	(30,778)
Allowance for doubtful pledges	249,268	15,497
Donation of real estate held for sale	(158,860)	-
Change in assets and liabilities		
Accounts receivables	(3,624)	2,407
Pledges receivable	(177,493)	(217,241)
Grants receivable	15,000	35,172
Accrued interest receivable	-	10,664
Inventory	31,949	(4,392)
Prepaid expenses	(6,237)	1,243
Accounts payable	(22,563)	32,494
Accrued liabilities	735	8,648
Net Cash provided by (used for) Operating Activities	<u>1,078,427</u>	<u>(210,965)</u>
Investing Activities		
Redemption of certificates of deposit, net	306,198	734,454
Purchase of investments	(166,730)	(43,129)
Sales of investments	153,441	-
Purchase of property and equipment	<u>(1,294,828)</u>	<u>(494,421)</u>
Net Cash (used for) provided by Investing Activities	<u>(1,001,919)</u>	<u>196,904</u>
Net Change in Cash and Cash Equivalents	76,508	(14,061)
Cash and Cash Equivalents, Beginning of Year	<u>486,417</u>	<u>500,478</u>
Cash and Cash Equivalents, End of Year	<u>\$ 562,925</u>	<u>\$ 486,417</u>

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Lewis & Clark Fort Mandan Foundation, Inc. (Foundation) is incorporated as a non-profit foundation. The primary purpose of the Foundation is to assist in promoting, upgrading, and managing the reconstruction, development and maintenance of the Fort Mandan Historical Site, the North Dakota Lewis & Clark Interpretive Center, and other Lewis & Clark interpretive areas.

Financial Statement Presentation

Lewis & Clark Fort Mandan Foundation, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation. These reclassifications have no effect on total assets, liabilities, net assets, or changes in net assets for the year ended December 31, 2010.

Contributions

Contributions are recognized when the donor makes a pledge to give to the Lewis & Clark Fort Mandan Foundation, Inc. that is, in substance, unconditional. The Foundation uses the allowance method to determine uncollectible pledges receivable. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts of cash and other assets restricted by the donor to be invested in perpetuity where only the income is made available for program operations are classified as permanently restricted. All other contributions are considered to be available for unrestricted use.

Cash and Cash Equivalents

Cash and cash equivalents include monies in banks and highly liquid investments with maturity dates of less than three months. The certificates of deposit, with a maturity date in excess of 90 days, are stated at cost, which approximates fair value. As of December 31, 2011 and 2010, the Foundation held certificates of deposit in the amount of \$209,348 and \$515,546.

Investments

The Foundation's investments in securities are classified as available-for-sale and are recorded at fair value based on quoted market prices. The securities may be sold in response to changes in interest rates and liquidity needs and for other purposes.

Gains or losses on investments shall be reported in the statement of activities as increases or decreases in unrestricted net assets.

Inventories

Inventories are valued at the lower of cost or market using the weighted-average costing method.

Real Estate Held for Sale

Real estate held for sale consists of a home which is valued at market.

Property and Equipment

Property and equipment are stated at cost or fair market value when received as a gift. Additions, renewals and betterments are capitalized, whereas expenditures for maintenance and repairs are charged to expense. The cost and related accumulated depreciation of assets retired or sold are removed from the appropriate asset and depreciation accounts, and the resulting gain or loss is reflected in income.

It is the policy of the Foundation to provide depreciation using the straight-line method based on the estimated useful life of 5 to 40 years for individual units of property and equipment. The library and artwork are not depreciated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

The Foundation maintains its cash balances in a financial institution insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2011, the Foundation had a bank balance in excess of \$250,000, however the Bank has pledged additional security for the cash balance in excess of \$250,000.

Advertising

The Foundation expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2011 and 2010 was \$44,892 and \$54,033.

Sales Tax

The Foundation has customers in states and municipalities in which those governmental units impose a sales tax on certain sales. The Foundation collects those sales taxes from its customers and remits the entire amount to the various governmental units. The Foundation's accounting policy is to exclude the tax collected and remitted from revenue and cost of revenue.

Fair Value Measurements

The Foundation has determined the fair value of certain assets and liabilities in accordance with the provisions of *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles.

It defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. *Fair Value Measurements* requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Income Taxes

The Foundation is a nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

The Foundation has adopted provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No. 48), Accounting for Uncertainty in Income Taxes. The implementation of this standard had no impact on the financial statements. As of December 31, 2011 and 2010, the unrecognized tax benefit accrual was zero.

The Foundation will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Foundation is no longer subject to federal tax examinations by tax authorities for years before 2008 and state examinations for years before 2008.

Subsequent Events

The Foundation has evaluated subsequent events through July 20, 2012, the date which the financial statements were available to be issued.

Note 2 - Management and Maintenance Agreements

Agreements have been established between the Foundation and the North Dakota Parks and Recreation Department to maintain and manage the Lewis & Clark Visitor Center and associated lands owned by the Department on which the visitor center is located, and between the Foundation and the McLean County Historical Society to manage and maintain the Fort Mandan Historic Site and the lands included at the site owned by the Society. Both agreements are for 50 years and end in 2047.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Cash on hand	\$ 1,568	\$ 1,250
US Bank	9,892	33
Farmers Security Bank	291,485	478,600
BNC National Bank	-	3,022
Union State Bank Hazen	-	2,799
Bank of Turtle Lake (money market)	259,267	-
Stifel Nicolaus (money market)	713	713
	<u>\$ 562,925</u>	<u>\$ 486,417</u>

Note 4 - Pledges Receivable

Pledges receivable as of December 31, 2011 and 2010 were computed as follows:

	<u>2011</u>	<u>2010</u>
Pledges receivable in less than one year	\$ 479,750	\$ 475,762
Pledges receivable in one to five years	1,017,520	801,270
Pledges receivable in more than five years	<u>12,500</u>	<u>13,000</u>
Total	1,509,770	1,290,032
Less present value discount (3.5% in 2011; 3.25% in 2010)	(94,503)	(50,308)
Less allowance for uncollectible pledges	<u>(333,864)</u>	<u>(86,546)</u>
Pledges receivable, net	<u>\$ 1,081,403</u>	<u>\$ 1,153,178</u>

Note 5 - Investments

The carrying amount of an investment security is shown in the balance sheet of the Foundation and its approximate fair value at December 31, 2011 and 2010 is as follows:

	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
December 31, 2011				
Securities available for sale				
Cash Equivalents	\$ 69,211	\$ -	\$ -	\$ 69,211
Mutual Funds	400,933	554	-	401,487
	\$ 470,144	\$ 554	\$ -	\$ 470,698
December 31, 2010				
Securities available for sale				
Cash Equivalents	\$ 55,665	\$ -	\$ -	\$ 55,665
Mutual Funds	426,030	11,214	-	437,244
	\$ 481,695	\$ 11,214	\$ -	\$ 492,909

Investment return consists of the following:

	2011	2010
Interest and dividend income	\$ 17,818	\$ 31,866
Unrealized investment (losses) gains	(35,500)	30,778
	\$ (17,682)	\$ 62,644

Note 6 - Property and Equipment

Details pertaining to property and equipment are as follows:

	2011	2010
Building and ground improvements	\$ 2,266,544	\$ 2,266,544
Furniture, fixtures, and equipment	371,481	366,586
Art work	872,691	867,291
Library	65,493	65,286
Exhibits	300,661	300,661
Construction-in-progress	1,614,181	329,855
	5,491,051	4,196,223
Less accumulated depreciation	1,103,584	1,012,177
	\$ 4,387,467	\$ 3,184,046

Depreciation expense totaled \$91,407 and \$94,677 during 2011 and 2010, respectively. The artwork, exhibits, and library are not being depreciated.

During 2009, the Foundation began designing an expansion to their facility located in Washburn, North Dakota. The Foundation has entered into contracts for the expansion of the building and planning, design, and production of new interpretive exhibits totaling approximately \$4,332,000 as of December 31, 2011. As of December 31, 2011 and 2010, the amount of costs capitalized as construction in progress totaled \$1,614,181 and \$329,855, respectively. The estimated completion date for the expansion is February 2013. As of December 31, 2011, the Foundation had approximately \$2,690,000 in future commitments related to the expansion to their facility.

Note 7 - Line of Credit

The Foundation has a \$30,000 line of credit with US Bank that is due on demand. Interest on the line of credit is set at the Wall Street Journal Prime rate, which was 3.25% at December 31, 2011. The Foundation had \$0 outstanding balance at December 31, 2011 and 2010.

The Foundation entered into a single advance term loan agreement in the amount of \$2,000,000 with US Bank that is due on demand. Interest on the loan is set at the Wall Street Journal Prime rate plus 0.25%, which was 3.5% at December 31, 2011. The outstanding balance at December 31, 2011 was zero.

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets of \$1,095,240 and \$1,108,482 at December 31, 2011 and 2010 are available for capital campaign expenditures for enhancement of program services, artwork, Fort Mandan renovations, and exhibits at the Center.

Net assets of \$954,263 and \$338,761 for 2011 and 2010, were released from donor restrictions by incurring expenditures satisfying the purpose or time restrictions by donors.

Note 9 - Permanently Restricted Net Assets

The Foundation's permanently restricted net assets consist of approximately 10 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with permanently restricted funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value as of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net asset until those amounts are appropriated for expenditure by the college in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Lewis & Clark Fort Mandan Foundation, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Endowment net asset composition by type of fund as of December 31, 2011 and 2010 is as follows:

Composition by Fund Type

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2011				
Donor-restricted Endowment Funds	\$ -	\$ -	\$ 565,000	\$ 565,000
Board-designated Endowment Funds	450,000	-	-	450,000
	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 1,015,000</u>
December 31, 2010				
Donor-restricted Endowment Funds	\$ -	\$ -	\$ 565,000	\$ 565,000
Board-designated Endowment Funds	500,000	-	-	500,000
	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 1,065,000</u>

Lewis & Clark Fort Mandan Foundation, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Changes in Endowment Net Assets for the years ending December 31, 2011 and 2010, respectively, are as follows:

Change in Endowment Assets

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
December 31, 2011				
Endowment Net Assets, Beginning of Year	\$ 500,000	\$ -	\$ 565,000	\$ 1,065,000
Investment Return				
Interest income	4,530	-	-	4,530
Investment income	-	13,288	-	13,288
Net unrealized loss	-	(35,500)	-	(35,500)
Net Assets Released from Restrictions	(4,530)	-	-	(4,530)
Assets transferred from unrestricted net assets	-	22,212	-	22,212
Release of Board-Designated Funds	(50,000)	-	-	(50,000)
Endowment Net Assets, End of Year	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 1,015,000</u>
December 31, 2010				
Endowment Net Assets, Beginning of Year	\$ 1,263,067	\$ 12,667	\$ 565,000	\$ 1,840,734
Investment Return				
Interest income	20,578	-	-	20,578
Investment income	-	11,288	-	11,288
Net unrealized appreciation	-	30,778	-	30,778
Net Assets Released from Restrictions	(33,645)	(54,733)	-	(88,378)
Release of Board-Designated Funds	(750,000)	-	-	(750,000)
Endowment Net Assets, End of Year	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 1,065,000</u>

The components of endowment funds classified as permanently restricted net assets as of December 31, 2011 and 2010, respectively, are as follows:

	<u>2011</u>	<u>2010</u>
Permanently Restricted Net Assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	<u>\$ 565,000</u>	<u>\$ 565,000</u>

Endowment Assets

The Foundation has an investment fund that consists of endowment assets and has commingled other endowment assets with unrestricted assets.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for permanently restricted net assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the permanently restricted net assets. Permanently restricted net assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the permanently restricted net assets are invested in a manner that is intended to produce results that realize competitive returns while assuming moderate level of risk based on the Asset Allocation Plan adopted by the Investment Committee.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its permanently restricted fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its permanently restricted net assets. Accordingly, over the long term, the Foundation expects the current spending policy to allow its permanently restricted net assets to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the permanently restricted net assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 10 - Employee Pension Plan

The Foundation has a Simple IRA plan for all qualified employees where the Foundation will contribute up to 3% of the employee's salary. The employee must have been with the Foundation for one year before being eligible to participate in the plan. The Foundation contributed \$11,274 and \$11,896 for the years ended December 31, 2011 and 2010.

Note 11 - Grants

The Foundation has entered into grant agreements with various entities. These reimbursable grants require the Foundation to incur expenditures for specific purposes in order to receive these funds. The Foundation incurred expenses towards these grants of \$1,464,707 and \$80,159 for the years ending December 31, 2011 and 2010. The Foundation has grants receivable as of December 31, 2011 and 2010 relating to these grants of \$0 and \$15,000.

Note 12 - Donated Services

The Foundation receives donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under have not been satisfied.

Note 13 - Related Party Transactions

The Foundation has pledges receivable from employees and directors of \$514,100 and \$547,500 as of December 31, 2011 and 2010 and accounts receivables of \$1,776 and \$647 at December 31, 2011 and 2010.

Note 14 - Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 15 - Sponsorship Agreement

In March 2004, the Foundation signed a sponsorship agreement granting Headwaters Incorporated certain advertising rights. The initial term is for the two years ending December 31, 2005, with automatic renewals for subsequent terms of one year unless terminated by either party. Headwaters shall make sponsorship payments to the Foundation for naming and sponsorship rights of not less than \$50,000 per year with total payments not exceeding \$500,000 over a ten year period. If the maximum payments of \$500,000 are made, sponsorship rights granted to Headwaters shall remain in full force and effect for a period of ten years subsequent to reaching the maximum. As of December 31, 2011 and 2010, \$450,000 and \$400,000 has been received on the agreement.

Note 16 - Fair Value Measurements

A three-level valuation hierarchy was established for fair value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs care the following fair value hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets;
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instrument sin markets that are not active; and model-derived valuations whose significant inputs are observable; and
- Level 3 – Instruments who significant inputs are unobservable.

The following table summarizes the financial instruments measured at fair value on a recurring basis at December 31, 2011 and 2010 are as follows:

	Fair Value Measurements on a Recurring Basis			
	Level 1	Level 2	Level 3	Total
December 31, 2011				
Cash equivalents	\$ 69,211	\$ -	\$ -	\$ 69,211
Mutual funds	401,487	-	-	401,487
	<u>\$ 470,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,698</u>
December 31, 2010				
Cash equivalents	\$ 55,665	\$ -	\$ -	\$ 55,665
Mutual funds	437,244	-	-	437,244
	<u>\$ 492,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,909</u>

The fair value of investments is estimated based on third-party pricing services information. This information is derived from comparison to similar securities traded in active markets.

#5
ABIO's
4-5-1

2011 SEASON MARINA SALES/LEASE PAYMENT DUE

Gross Sales less Fishing Licenses	\$221,468.61
Lease Fee - Gross Sales X 2%	\$4,429.37
Utilities Fee - garbage/water/sewer	\$243.96
2011 Lease Fees Due	\$4,673.33

870-0332
Tungo

breakwater
@ LAKE SAKAKAWEA

Gross Sales by Year

1990	\$ 91,552
1991	\$ 115,078
1992	\$ 107,515
1993	\$ 110,789
1994	\$ 119,303
1995	\$ 116,352
1996	\$ 137,672
1997	\$ 137,161
1998	\$ 127,570
1999	\$ 133,780
2000	\$ 136,327
2001	\$ 161,362
2002	\$ 191,665
2003	\$ 205,966
2004	\$ 185,984
2005	\$ 198,075
2006	\$ 224,809
2007	\$ 238,326
2008	\$ 230,747
2009	\$ 226,223
2010	\$ 207,865
2011	\$ 221,468
Total	\$ 3,625,589
Average	\$ 164,800

TOTAL LEASE PAYMENTS BY YEAR

	Payment Due	Payment received
1990	\$ 4,222.04	\$ 917.04 *
1991	\$ 4,434.03	\$ 4,434.03
1992	\$ 4,176.45	\$ 4,176.45
1993	\$ 4,276.43	\$ 2,075.37 *
1994	\$ 4,749.93	\$ 1,500.00 *
1995	\$ 4,170.32	\$ 1,500.00 *
1996	\$ 4,764.70	\$ 1,500.00 *
1997	\$ 4,604.25	\$ 1,500.00 *
1998	\$ 4,490.15	\$ 4,490.15
1999	\$ 4,717.95	\$ 4,717.95
2000	\$ 4,817.01	\$ 4,817.01
2001	\$ 5,447.67	\$ 5,000.00 *
2002	\$ 6,758.88	\$ 6,758.88
2003	\$ 7,281.35	\$ - *
2004	\$ 6,348.17	\$ - *
2005	\$ 6,837.65	\$ 6,837.65
2006**	\$ 4,494.27	\$ - *
2007	\$ 5,457.74	\$ 4,766.52 *
2008	\$ 5,252.05	\$ 5,252.05
2009	\$ 5,079.11	Due 5/15/10
2010	\$ 4,401.27	Due 5/15/11
2011	\$ 4,673.33	Due 5/15/12
Totals	\$ 111,454.75	\$ 60,243.10

* Cantina Sales \$43617.74
* Cantina Sales \$44951.07
Cantina Sales \$44,219.90
Cantina Sales \$36,681.21
Cantina Closed
Cantina Closed

Average \$ 5,066.12 \$ 2,738.32

Average Lease payment was 1.6% of average gross revenue

Adding 2009/10/11 payments - average lease payment is 2% of average gross revenue

* Whole or partial waiver of lease fees

** New contract - lease fee reduced from 5% to 2%

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$235,132	\$2,720,017
Natural resources	12,768,203	9,738,206	22,506,409
Recreation	<u>7,489,091</u>	<u>(1,279,250)</u>	<u>6,209,841</u>
Total all funds	\$22,742,179	\$8,694,088	\$31,436,267
Less estimated income	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Total general fund	\$11,100,647	\$8,543,666	\$19,644,313
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$2,700,000</u>	<u>\$3,473,699</u>
Total general fund	\$773,699	\$2,700,000	\$3,473,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$11,243,666	\$23,118,012
Grand total special funds	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Grand total all funds	\$23,515,878	\$11,394,088	\$34,909,966"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210		\$3,955,300
Parks equipment	116,000		375,000
Lewis and Clark interpretive center grant	0		3,150,000
Little Missouri state park trail leases	85,000		0
Parks SCORP plan	40,000		0
Parks strategic plans	0		100,000
Community grant program	0		600,000
International Peace Garden capital projects	<u>267,000</u>		<u>2,500,000</u>
Total all funds	\$5,777,210		\$10,680,300
Less estimated income	<u>1,028,000</u>		<u>1,282,800</u>
Total general fund	\$4,749,210		\$9,397,500"

Page 3, line 15, replace "\$400,000" with "\$600,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

"SECTION 7. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$2,500,000 from the general fund included in subdivision 2 of section 1 of this Act is for capital projects at the International Peace Garden and is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources.

SECTION 8. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$600,000 is from special funds derived from federal funds and other income, for various capital projects, which is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
International Peace Garden				
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Bill total				
Total all funds	\$28,936,484	\$31,037,080	\$3,872,886	\$34,909,966
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$17,144,649	\$18,597,568	\$4,520,444	\$23,118,012

House Bill No. 1019 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administration	\$2,719,322	\$2,652,000	\$68,017	\$2,720,017
Natural resources	19,234,022	21,256,353	1,250,056	22,506,409
Recreation	6,009,441	5,973,451	236,390	6,209,841
Accrued leave payments		181,577	(181,577)	
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	11,791,835	12,439,512	(647,558)	11,791,954
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
FTE	55.00	55.00	0.00	55.00

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

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Restores Marina Funding ³	Adds Funding for Military Artifact Collection ⁴	Adds Funding for Equipment ⁵	Adds Funding for Community Grants Program ⁶
Administration	\$41,260	\$26,757				
Natural resources	290,386	142,170	350,000	42,500	75,000	
Recreation	23,740	12,650				200,000
Accrued leave payments		(181,577)				
Total all funds	\$355,386	\$0	\$350,000	\$42,500	\$75,000	\$200,000
Less estimated income	7,442	0	175,000	0	0	0
General fund	\$347,944	\$0	\$175,000	\$42,500	\$75,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant⁷	Removes Funding for Walhalla Gorge Property⁸	Total Senate Changes
Administration			\$68,017
Natural resources	3,150,000	(2,800,000)	1,250,056
Recreation			236,390
Accrued leave payments			(181,577)
Total all funds	\$3,150,000	(\$2,800,000)	\$1,372,886
Less estimated income	0	(830,000)	(647,558)
General fund	\$3,150,000	(\$1,970,000)	\$2,020,444
FTE	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed, and the associated funding returned to line items with salaries and wages funding.

³ Funding removed by the House for purchase of a marina is restored to the executive budget recommendation level.

⁴ Funding is added for purchase of a military artifact collection currently on display at Fort Abraham Lincoln State Park.

⁵ Funding is added for one-time equipment purchases of picnic tables (\$50,000) and fire rings (\$25,000).

⁶ Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$600,000.

⁷ Funding is added for a one-time grant for expansion of the Lewis and Clark interpretive center.

⁸ Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed.

A section is added to provide for an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Peace Garden Capital Projects¹	Total Senate Changes
International Peace Garden	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	0	0
	\$2,500,000	\$2,500,000

General fund		
FTE	0.00	0.00

¹ Funding is added for capital projects at the International Peace Garden.

A section is added requiring funds for capital projects of the International Peace Garden.



Attachment 1.
April 19, 2013
HB 1019

Friday, April 19, 2013

HB 1019 Conference Committee Chairman Rep. Mark Dosch
And Committee Members:

Please accept this paper with answers to questions posed by you during the conference committee this morning. We are grateful for your consideration of the \$3,150,000 amendment to pay off construction costs for the North Dakota Lewis & Clark Interpretive Center, a State-owned facility managed by our non-profit foundation.

For funding background, the Center was built in 1997 using \$1.2 million in federal highway funds, matched with \$300,000 of State funds. This arrangement included the contract that our foundation be responsible for the ongoing operation and maintenance of the 16-acre grounds and the original 5,500 square foot facility.

In the year 2000, our foundation was granted \$1.5 million in federal highway funds for an expansion of the Center, doubling the size to 11,000 square feet. No State funds were used in this project, with a total of \$2 million raised by the foundation to complete the project.

In year 2001, State DOT spent \$300,000, matched by \$100,000 from our foundation, for an expanded parking lot, further enhancing the State-owned grounds. This new parking lot has been of tremendous benefit now, with large amounts of truck activity from the Bakken and our 24-hour a day official US Highway 83 Rest Area.

Through the years, the Legislature has appropriated \$100,000 per biennium for operational support to our foundation. The last session those funds were appropriated was 2007.

In 2009, the Legislature appropriated \$1.5 million for this current 9,000 square foot expansion of the facility, which the foundation matched with fundraising.

The enclosed information from our architects details the total cost outlays for this expansion and exhibits. You will note that the grand total costs come to over \$5,500,000. With this appropriation, the State will be funding \$4,500,000 of that amount. We have fronted the funds thus far for this project and have a construction loan, which the one-time grant will pay off.

By completing the construction costs of this project, our foundation will be able to devote all of our fundraising efforts to operational and future sustainability. We plan to raise \$1,500,000 for our endowment trust, for example. All of the State funds will have been used for construction costs.

Our annual operating budget is currently \$1,500,000. We have 11 full time, year round



employees, with additional part time and seasonal staff. Our budget has grown through the years since 1997, but has been consistent the past four years.

Our budget includes all of the operation, maintenance and care of the Interpretive Center and Fort Mandan, including custodial costs of the Rest Area. We pay all utilities, including a large number of light poles in our two parking lots. Snow removal and groundskeeping are included in our responsibilities.

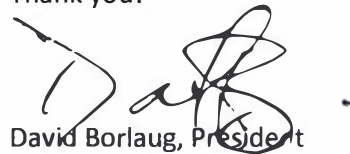
We are quite certain that the Rest Area maintained by us for the State is the only US Highway Rest Area in America operated by a non-profit foundation! The cost savings over the past 16 years to the State are very significant!

Of course, the costs of providing world-class interpretation to visitors from all 50 states and around the world is a significant part of our annual budget. Our interpretive staff is nationally-certified, the only such interpreters in all of North Dakota.

In addition, through the years, thanks to the generosity of individual donors, we have developed a one of a kind collection of rare artifacts and art. We have items that were actually on the Lewis & Clark Expedition or of the era, over 200 years old. We are among a handful of galleries in the world holding complete collections of Karl Bodmer and George Catlin art. We also have a variety of contemporary North Dakota artists featured in our collections.

In total, the foundation, since 1997, has raised and invested over \$20 million to provide a unique, world-class visitor experience, all on behalf of the people of North Dakota. We are grateful for the support of the Legislature on this capital project in our unique public-private partnership.

Thank you!



David Borlaug, President
Office 701-462-8535
Cell 701-220-3491

dborlaug@fortmandan.org

CC: Board Members Al Christianson, David Lindell, Dennis Boyd, Kari Cutting, Kathy Neset and David Searle



Attachment 2.
April 19, 2013
HB 1019

March 14, 2013 10:00 AM Harvest Room North Dakota Legislature

Good Morning Chairman Holmberg and Committee members,

I would like to thank you and North Dakota Parks & Recreation Director Mark Zimmerman for the opportunity to come and testify today in support of HB 1019. My remarks will address the State Grant for the International Peace Garden

During the 62nd Legislative Assembly of the State of North Dakota appropriated \$1,000,699.00 for 2011-2013 funding. The allocation included \$267,000.00 in Capital Funding for the Conservatory expansion and the 911 Stroll & Contemplative Garden.

The Basic and the first section of the Operational Adjustment portions of this budget request will deal with the ongoing operational needs of the IPG. The current North Dakota allocation is \$733,699.00 as established during the 2011-2013 session.

Optional Adjustment Request

We have made a request for an increase of \$100,000 annually to the annual allocation from North Dakota to the IPG for \$200,000 per biennium. The Governor's budget suggests this request.

This optional adjustment request includes two areas of concern. The funds \$200,000 for the Biennium will target two core areas:

1. Wages for acquisition and retention of employees. We are now feeling the effect of the Bakken Shale Oil expansion as it moves nearer to Bottineau and Rolette Counties and it is becoming harder and harder to retain and locate young low wage workers to either make a career with us at the IPG or come and work seasonally here at the Peace Garden.

2. Enhanced advertising and promotion with our new facilities and the spectacular Succulent Collection we need to increase our advertising and promotion for the Peace Garden.

In the Governor's Budget the State provided for this operational increase of \$200,000 and we would encourage you to approve and pass this increase as presently indicated in HB 1019.

Capital Requests

The International Peace Garden is also made two Capital project requests. The first is for a pre-appropriation request to investigate the best plan of action to deal with the degradation of the columns and cross member beams of the Peace Tower and a second request for Water & Wastewater Infrastructure Upgrades.

Neither of these requests were included in the Governor's Budget. We ask that you consider them and approve them as Senate Legislative changes to Capital Appropriations for HB 1019.

Planning Pre-Appropriation Peace Tower

\$500,000

In 1980 the North Dakota Historical Society, The National Parks Service and the International Peace Garden worked jointly to provide funding for the design & construction of the Peace Tower.

Our Plan is to work with Kadrmass, Lee Jackson (KL&J) from Bismarck North Dakota. KL&J provides a wide range of structural engineering services. Their engineers are experienced in aviation, energy, industrial, land management, transportation and water-resource management structures. Their versatile team designs with a variety of building materials including aluminum, concrete, and masonry, steel and wood. They also specialize in Foundation Design, Structural Load Rating of Existing Systems, and Structural Assessments.

In the past, the ND Legislature has provided funding for pre-appropriations. We are asking for such a pre-appropriation to study of the best plan of action to deal with this problem with the Peace Tower. We believe that that the Province of Manitoba will assist in funding the actual repair of the towers so we anticipate these construction costs could be shared between Province and State. Because of the high degree of appreciation of this structure, we also believe that we could be successful in acquiring some private funds towards the future repair.

The Peace Tower was constructed from 1980 to 1983. In 1984, the base pools began leaking and had to be drained and filled with rock. In the early 1990's the concrete floors and base started cracking and heaving. Concrete resurfacing has been ongoing to the sidewalks and floor basal area. In 2011, we spent \$25,000 resurfacing sidewalks and landings at or near the Peace Tower.

During the winter of 2011, rust spots from the iron-rebar, reinforcing, rods started to become visible on the Peace Tower's outer service. At the same time, white calcium deposits have shown up leaking down the side of the Peace Tower. In the spring of 2012 small pieces of cement have started falling and the towers cross members have visible scaring and abrasion on the horizontal connecting cross members. We are also starting to see major cracking and fracturing in the on ground basal structures. As the Peace Tower continues to degrade, the IPG will have to restrict entry to the base area of the tower and make plans to deal with the future removal of the towers.

No professional engineering study has been undertaken to date. We have had two independent contractors offer opinions concerning the towers. They both suggested that the towers would continue to degrade and eventually become unsafe for pedestrian traffic underneath them on the floor base.

We have determined that the original construction tender was for \$1,350,000 in 1980. If the Peace Tower were constructed now in 2013, the associated cost would be \$6,356,054 USD (if designed & tendered summer 2013)

It has now been 30-years since construction was completed. We want to find out through an engineering study how we can make this tower last for many, many more years or consider the costs of removing it completely.

Moreover, over hundreds of thousands of visitors have come to the International Peace Garden to see this "Iconic Peace Tower" looking across the State of North Dakota from its Northern Border.

Infrastructure Requirements

Water system	\$ 1,500,000
Sewer System	\$ 1,075,000
Roads, Ditches & Throughways	\$ 875,000
Design	\$ 245,000
General Contractor	\$ 245,000
Soft Costs	\$ 276,000
Total Costs	\$ 4,416,000

The sewer waste and water systems, were installed and renovated from the 1930's and 1950's, with the current systems being developed in the late 1970,s and early, 1980's.

These are our primary and only sources to supply our needs. At this time, there is no County source for water supply or sewage evacuation available to the International Peace Garden (IPG)

We recently completed a Water & Wastewater Assessment hiring the firm AECOM/Earth Tech working from two of their office sites in Minneapolis-St Paul, Minnesota and Winnipeg, Manitoba. We completed pipe evaluation inspected several main water unions, completed geotechnical tests and usage calculations to determine our needs. Two reports were compiled supporting the identified costs:

- (i) Waste water System Assessment for the IPG
- (ii) Water Assessment for the IPG

We believe adequate planning has been completed for this project by consulting industry experts. We do not feel that we need to incur more, exploratory costs. We believe that there is an opportunity to have these costs shared with Manitoba.

These systems are privately operated by the IPG and we have no other sources for water or treatment of wastewater available to us from Rolette County. Without these systems in operation, the Peace Garden would eventually not be able to continue to operate them and continue to meet the State Health code.

Respectfully,



Doug Hevenor, CEO

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(204) 534-2510



April 22, 2013

Attachment 1.
April 23, 2013
HB 1019

Rep. Mark Dosch
Sen. Karen Krebsbach
Conference Committee Members

RE: HB 1019 with amendment for \$3,150,000 for ND Lewis & Clark Interpretive Center expansion

Here is a more complete breakdown, showing you precisely how the funds in the amendment to the Parks and Recreation budget will be spent:

**Total amount paid to date to Missouri River Contracting:
\$2,554,489.39**

**Total amount remaining to be paid to Missouri River Contracting:
\$1,149,187.26**

**Total amount of construction costs:
\$3,703,676.65**

The project is scheduled for completion by the end of June.

The Lewis & Clark Fort Mandan Foundation has been drawing upon a \$2 million construction loan, which is nearly depleted. The remaining balance has been getting paid from fundraising campaign payments.

If you have any additional questions, I may be reached on cell phone anytime at 701-220-3491 or via email at dborlaug@fortmandan.org

Thank you!

David Borlaug 



Proposed amendment language for House Bill No. 1019

Attachment 1.
April 25, 2013
HB 1019

Rental Space - Pembina Gorge Area. The natural resources line item in subdivision 1 of section 1 of this Act includes \$300,000 from the general fund which the parks and recreation department may use to rent property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

Attachment 1
29 Apr 13

HB 1019
Suggested language for amendment for funds for International Peace Garden
April 25, 2013

ENGINEERING STUDY AND REPAIR OF THE "PEACE TOWERS" AT THE INTERNATIONAL
PEACE GARDENS

"Amendment includes \$1,000,000 for an engineering study and repair of the Peace Towers at the International Peace Gardens contingent on a dollar for dollar match be obtained from other sources to include the Province of Manitoba or private funds. Of the \$1,000,000 appropriated in this budget, no more than 5% will be used for the engineering study with an additional 5% coming from the other sources. ND Parks and Recreation will review and accept engineering study proposals and recommendations of the study before state of ND funds are obligated. ND Parks and Recreation will assist with bidding and construction oversight of repair work. No amount of the state of ND funds will be obligated without approval by the ND Parks and Recreation Department".