

2013 SENATE INDUSTRY, BUSINESS, AND LABOR

SB 2223

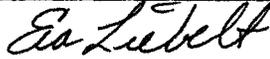
2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2223
January 29, 2013
Job Number 17915

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

An Act to provide for a legislative management study; to provide an appropriation; and to provide a transfer

Minutes:

Testimony Attached

Chairman Klein: Opened the hearing.

Senator Warner: Written Testimony Attached (1).

Chairman Klein: Asked if he was asking for them to take a look to see whether or not there is desirability and feasibility for building this building. We need to provide one hundred thousand dollars from the State Treasury and also one hundred thousand dollars from the Bank of North Dakota.

Senator Warner: Said the appropriation is just for one hundred thousand from the general fund. He said that it could be less than that.

Senator Laffen: Asked if he knew why they deviated from the capitol grounds plans and to clarify that this study doesn't designate where it would go.

Senator Warner: Said he didn't know but it made no sense to him at the time either.

Chairman Klein: Said he does know that the state of North Dakota was paying a lot for rent and that there was a lot of discussion on that and the payback for the money they spent happened in five years. He closed the meeting.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2223
January 30, 2013
Job Number 17986

Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

An Act to provide for a legislative management study; to provide an appropriation; and to provide a transfer

Minutes:

Handout

Chairman Klein: Opened the hearing.

Eric Hardmeyer, President of the Bank of North Dakota: Said the Bank of North Dakota is neutral on this. He said that he would give them some background information. A couple of sessions ago the bank put in its bill the opportunity to purchase land that was adjacent to the Bank of North Dakota. He referred to the map handed out (1). He said the map shows the land that he is talking about. He talked about the property and how it was acquired. (2:45 - 7:31)

Senator Laffen: Asked if any of the hundred thousand would be used for internal, if we do this study does it all go to consultant or would there be a need for the state, your offices, department of commerce or whoever else, to use that money internally to get the study done.

Eric: Said he wasn't part of the concept of a hundred thousand. His understanding is that it would be just for the consultant to look at proposed use.

Chairman Klein: Said that they have been looking at a lot of places for the state and that they are leasing property throughout the community. He asked who would know.

Eric: Said that would be an individual in OMB that looks at the facilities and grounds that the state has and looks at all the leased facilities. He is sure there is a master study out there on what are the total needs.

Chairman Klein: Said that would be John Boyle.

Discussion continued on who would possibly be housed in the new buildings and how they ended up building the new bank on that property. (10:15)

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2223
February 05, 2013
Job Number 18260

Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

An Act to provide for a legislative management study; to provide an appropriation; and to provide a transfer

Minutes:

Amendment and Vote

Chairman Klein: Said the bill is about the Bank of North Dakota properties.

Senator Laffen: Said the bill was to do a study of the land at the Bank of North Dakota with the possibility of expansion for economic development type of facilities. The amendment, 13.0703.01001, would lower the amount that we would pay for that study from 100,000 to 75,000 and it would also add some additional language that says; we would also like them to focus on trying to create additional space within the judicial wing of the state capitol for space needs of the judicial branch.

Senator Laffen moved to adopt the amendment.

Senator Murphy seconded the motion.

Roll Call Vote: Yes - 6 No - 0 Absent: 1

Senator Laffen moved a do pass as amended.

Senator Murphy seconded the motion.

Discussion followed on the need for the money for the study resolution, (2:35).

Chairman Klein: Said this will be rerefered to appropriations.

Roll Call Vote: Yes - 6 No - 1 Absent: 0

Floor Assignment: Senator Laffen

13.0703.01001
Title.02000

Prepared by the Legislative Council staff for
Senator Laffen

January 30, 2013

FL
2-5-13

PROPOSED AMENDMENTS TO SENATE BILL NO. 2223

Page 1, line 7, after the period insert "The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch."

Page 1, line 10, replace "\$100,000" with "\$75,000"

Page 1, line 14, replace "\$100,000" with "\$75,000"

Renumber accordingly

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2223**

Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0703.01001

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

Motion Made By Senator Laffen Seconded By Senator Murphy

Senators	Yes	No	Senator	Yes	No
Chariman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner		
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 6 No 0

Absent 1

Floor Assignment _____

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

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2223**

Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0703.01001

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

Motion Made By Senator Laffen Seconded By Senator Murphy

Senators	Yes	No	Senator	Yes	No
Chariman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner	x	
Senator Andrist		x			
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Laffen

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

REPORT OF STANDING COMMITTEE

SB 2223: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2223 was placed on the Sixth order on the calendar.

Page 1, line 7, after the period insert "The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch."

Page 1, line 10, replace "\$100,000" with "\$75,000"

Page 1, line 14, replace "\$100,000" with "\$75,000"

Renumber accordingly

2013 SENATE APPROPRIATIONS

SB 2223

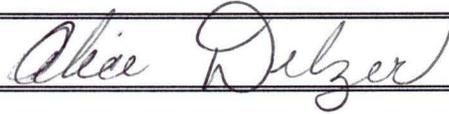
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2223
02-14-2013
Job #18966

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL to provide for a legislative management study; to provide an appropriation; and to provide a transfer

Minutes:

See attached testimony

Chairman Holmberg called the committee to order on Thursday, February 14, 2013 in regards to SB 2223. All committee members were present. Adam Mathiak from Legislative Council and Sheila Peterson from OMB were present.

Senator Warner: Introduced the bill and provided Testimony attached #1, in support of 2223. He stated this bill is a bookkeeping device and is in support of a study about space needs for some of our state agencies. (:52-4:22)

Senator Carlisle: At some point I have an amendment.

Chairman Holmberg: Anyone else wishes to testify?

Senator Carlisle: He handed out the proposed Amendment, 13.0703.02001. The bank owns the property and the amendment are being put on so they are aware of it. (5:58- 7:05)

Senator Carlisle: Moved the amendment. Senator Warner: Seconded the motion.

Senator Warner: A brief distinction, WSI and Game and Fish are special funds agencies, commerce is not and the Bank of North Dakota is not. I would ask Mr. Hardmeyer if there are any other properties which the bank owns in which they do pay taxes on or don't pay taxes on?

Eric Hardmeyer, President and CEO of the Bank of North Dakota: We are a special fund agency. I am not aware of any other property that we have we that we pay taxes on. When we bought this property in west Bismarck we did sell the other property that we owned. I believe that is going back on the tax rolls, so that was a tradeoff, in terms of the tax issue. I would like to pass this out so you know what Senator Warner is talking about. He goes over his testimony, Testimony attached #2, Map. (10:51- 12:34)

Chairman Holmberg: We will vote on the amendment, all in favor Aye that carried.

Senator Warner: The question might come up if you want the study to be paid out of the bank profit or out of the general fund.

Chairman Holmberg: Right now the way it is it comes out of the bank profits and the problem with that is?

Senator Warner: There is no real problem.

Senator Robinson: Moved Do Pass as Amended. Senator Krebsbach: Seconded the motion.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Warner will carry the bill

13.0703.02001
Title.03000

Prepared by the Legislative Council staff for
Senator Carlisle
February 8, 2013

2/14/13
TV

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2223

Page 1, line 9, after the period insert "The study must also include a review of options for payments in lieu of taxes if a new facility is constructed."

Renumber accordingly

Date: 2-14-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2223

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Robinson Seconded By Krebsbach

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) 13 No 0

Absent 0

Floor Assignment Warner

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

REPORT OF STANDING COMMITTEE

SB 2223, as engrossed: 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). Engrossed SB 2223 was placed on the Sixth order on the calendar.

Page 1, line 9, after the period insert "The study must also include a review of options for payments in lieu of taxes if a new facility is constructed."

Renumber accordingly

2013 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2223

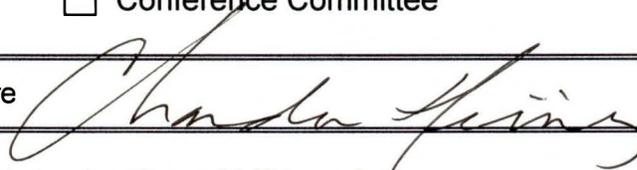
2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2223
March 12, 2013
Job 19759
Job 19758

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

To provide for a legislative management study; to provide an appropriation; and to provide a transfer

Minutes:

Handout, attachment 1

Hearing opened.

0:53 **Joe Herslip, chief business officer at the Bank of North Dakota:** We are neutral on this bill and are here to answer questions.

1:18 **Representative Kreun:** Question on designated interim dates.

1:35 **Joe Herslip:** The bill sponsor is not present, and I am unable to answer that.

Chairman Keiser: I do believe it is correctly stated.

1:57 **Representative Kreun:** It appears there are three different requests: a study of the feasibility and desirability of the land, a study of additional space in the judicial wing, and a review of options for payments in lieu of taxes. Is that your understanding?

2:23 **Joe Herslip:** My understanding at the first hearing was that it was originally to look at the desirability of constructing land owned by the Bank of North Dakota. It was amended to include the judicial wing space. Then in appropriations, they added the clause regarding a study of payment in lieu of taxes.

2:56 **Representative Vigesaa:** Is this the land right east of the bank?

3:03 **Joe Herslip:** Yes. Distributed map, attachment 1.

3:23 **Representative Vigesaa:** Is this the department of commerce looking for a building there?

3:33 **Joe Herslip:** It is my understanding that the primary area they're looking at is the department of commerce. The study would determine how much space could be build and possibly if other agencies could move there.

3:52 **Representative Kreun:** Question on number of projects and selection of project

4:04 **Joe Herslip:** The study would look at what is the best use of that land. Explained map, attachment 1.

5:59 **Representative Kasper:** What is on the 110,000 square feet?

Joe Herslip: That is grass area right now.

6:11 **Representative Kasper:** Does the bank have the capability to do its own feasibility studies as opposed to having a consultant conduct the study?

6:23 **Joe Herslip:** It is possible that the bank could do its own study. We are here today in a neutral position.

6:35 **Representative Kasper:** Could you do the study yourself?

6:41 **Joe Herslip:** We probably could do the study ourselves. We have a facility manager who has the knowledge for what we could use and build on the space. We could also work with the city regarding the amount of green space and parking we need to maintain. So it is possible we could do the study ourselves.

7:06 **Representative Kasper:** Regarding space in the judicial wing, was the building and grounds committee involved? Have they taken a position?

7:20 **Joe Herslip:** That line was added in committee work; I cannot speak to it.

7:43 **Senator John Warner, District 4:** Provided background on SB 2223. Spoke of need for space in judicial wing and WSI building. Outlined four issues within the bill. Spoke of needs of specific agencies.

10:45 **Representative Kasper:** Are there people in the BND along with commerce who could do the feasibility study and to determine the needs?

11:03 **Senator Warner:** That is a legitimate question. The bill I had drafted included a number based on the expertise within the senate committee. We have a lot of expertise within the state. I don't know if this needs an appropriation or not. The other issue is whether the BND should build a commercial building, and then the bank would pay for it. Or does the state need to consolidate its operations relative to commerce, in which case the general fund would pay for it.

11:47 **Representative Kasper:** Was the building and grounds committee consulted regarding the addition to the judicial wing?

12:06 **Senator Warner:** It was not in the original bill. It was in my original testimony that I had looked into it at the time. There are actions in other places within the legislation to deal with the space requirements in the judicial wing. The senate policy committee decided to add that to the study, and senate appropriations concurred.

12:42 **Representative Kreun:** The study includes a review of options for payment in lieu of taxes. Would that be just for the new building if constructed?

13:00 **Senator Warner:** My understanding is that came in through senate appropriations. We are studying the issue of a new building.

13:23 **Chairman Keiser:** There are a number of other agencies impacted by the need for space. If we are going to do a study, we should expand it to look at state housing of various departments in as broad a sense as we should. Would you support that?

13:57 **Senator Warner:** I would. A master plan is continuously evolving. Spoke of need for transactional analysis concerning rent being paid to a special funds agency.

15:07 **Representative Frantsvog:** Is there a master plan for the Capitol grounds?

15:12 **Senator Warner:** There has been for many years, and it is updated periodically.

15:25 **Representative Frantsvog:** Are the things proposed here part of the master plan?

Senator Warner: It is not. That master plan deals only with the Capitol grounds.

16:09 **Chairman Keiser:** Does the BND have concerns about the land being used for any purpose? It is conceivable to me that the BND may need to do an expansion.

16:43 **Joe Herslip:** Those are true statements. We are nearing our capacity for seats within the building. Shared vision of Eric Hardmeyer that the property should be used for economic development. While maybe part of a new building could be used by the Bank of North Dakota, we certainly would not need a building the same size as our current building for future growth.

Support:

Opposition:

Neutral:

Hearing closed.

Recording job 19758 (Meeting resumed after Chairman Keiser returned)

Chairman Keiser: Proposed alternate wording for lines 1 and 2, 5 and 6. Proposed the removal of sections 2 and 3.

1:28 **Representative M. Nelson:** Would we remove the mention of economic development entirely?

1:33 **Chairman Keiser:** Spoke of challenges when having satellite locations within an agency.

1:50 **Representative Beadle:** What about going one step further and say *shall study*?

2:00 **Chairman Keiser:** I'm happy to leave it with *shall consider* and am optimistic that the study will be taken up.

2:09 **Representative Becker:** Support of changing from economic development to the state functions.

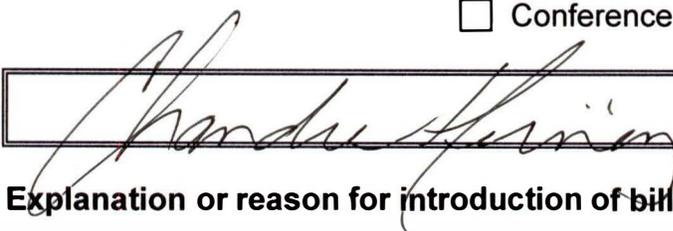
2:18 **Chairman Keiser:** We will take out the appropriation. I think the legislature has to make a few decisions about what we want to do before we get to that point.

2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2223
March 13, 2013
Job 19817

Conference Committee



Explanation or reason for introduction of bill/resolution:

To provide for a legislative management study; to provide an appropriation; and to provide a transfer.

Minutes:

Proposed amendment, attachment 1

Chairman Keiser: Reviewed concept of bill and appropriation. Distributed proposed amendment, **attachment 1**, a hoghouse amendment. Amendment broadens the study. Reviewed the amendment to the bill.

2:43 **Representative Gruchalla:** Does this also include in the study the space that the state government leases in this area?

2:51 **Chairman Keiser:** Absolutely. It's looking at the needs of the state's departments.

3:09 **Representative Ruby:** This is not a shall consider. This is a shall.

3:11 **Chairman Keiser:** This is a shall do. We can change it if you like. I feel strongly this needs to be done.

3:42 **Representative Frantsvog:** Is this also going to look at the state master plan?

3:45 **Chairman Keiser:** Absolutely. I think the interim committee begins by looking at the state master plan, identifying what is actually happening, and then how to revise the state master plan to make future legislation work.

4:16 **Representative Ruby:** (audio faint)

4:26 Representative Gruchalla **moves the amendment, attachment 1**. Seconded by Representative Sukut.

4:44 **Voice vote** on adoption of amendment passes.

4:55 Representative Sukut **moves a do pass as amended**; seconded by Representative Becker.

5:04 Roll call vote on motion for Do Pass as Amended. Motion carries.
Yes = 15
No = 0
Absent = 0

Carrier: Representative Kreun

March 13, 2013

VR
3/13/13

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2223

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study relating to state governmental facilities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENTAL FACILITIES. During the 2013-2014 interim, the legislative management shall study the necessity and feasibility of constructing additional facilities or renovating existing facilities to house state governmental functions. The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch. The study must also include a review of options for payments in lieu of taxes if a new facility is constructed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

Date: 3-13-2013

Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2223**

House Industry, Business, and Labor Committee

Legislative Council Amendment Number _____

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

Motion Made By Gruchalla Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser			Rep. Bill Amerman		
Vice Chairman Gary Sukut			Rep. Joshua Boschee		
Rep. Thomas Beadle			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Marvin Nelson		
Rep. Robert Frantsvog					
Rep. Nancy Johnson					
Rep. Jim Kasper					
Rep. Curtiss Kreun					
Rep. Scott Louser					
Rep. Dan Ruby					
Rep. Don Vigesaa					

Total Yes _____ No _____
Absent _____

Floor Assignment _____

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

Hoghouse - study

Date: 3-13-2013

Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2223

House Industry, Business, and Labor Committee

Legislative Council Amendment Number 13.0263.03001

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

Motion Made By Sukut Seconded By Becker

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut	✓		Rep. Joshua Boschee	✓	
Rep. Thomas Beadle	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper	✓				
Rep. Curtiss Kreun	✓				
Rep. Scott Louser	✓				
Rep. Dan Ruby	✓				
Rep. Don Vigasaa	✓				

Total Yes 15 No 0

Absent 0

Floor Assignment Kreun

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

REPORT OF STANDING COMMITTEE

SB 2223, as reengrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2223 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study relating to state governmental facilities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENTAL FACILITIES. During the 2013-2014 interim, the legislative management shall study the necessity and feasibility of constructing additional facilities or renovating existing facilities to house state governmental functions. The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch. The study must also include a review of options for payments in lieu of taxes if a new facility is constructed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

2013 CONFERENCE COMMITTEE

SB 2223

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2223
April 8, 2013
Job Number 20977

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide for a legislative management study; to provide and appropriation; and to provide a transfer

Minutes:

Discussion and Vote

Chairman Laffen: Called the conference committee to order on reengrossed SB 2223. Conference Committee Members; Senator Laffen, Senator Klein, Senator Murphy, Representative Kreun, Representative Becker and Representative Gruchalla. Chairman Laffen handed out a copy of his testimony, attached (1). He went over his testimony and then recommended to kill the bill and leave it in the OMB budget. (:20-3:29)

Senator Murphy: The only thing I am thinking of is if we go with the legislative management study for OMB then we are getting into that whole prison in the park right?

Chairman Laffen: This language says study pretty much all of the facilities. I am not sure how they would do that. I visited with John, who happens to be here, that is a fairly comprehensive study and it's going to take some man power. It would do everything that we are looking to do in this bill.

Representative Gruchalla: I don't see a dollar amount in the OMB study. Did they put any money in the bill?

Chairman Laffen: Not that I know of. Apparently they are saying they can do that within their budget or we are telling them to do it within their normal budget.

Representative Kreun: I think the comprehensive study would include the things that were necessary at the time. We've been doing some studies and some are relatively current and we wouldn't have to redo those. They could be incorporated into the areas that needed study which started out as the J-Wing and the Bank of North Dakota and WSI. I don't think just because it is all inclusive that we have to start from zero and go forward again. I think we need to do the areas that are of the nature that need to be studied and then all of it can be put into the master plan, which I think we are all trying to do. That probably isn't a bad idea that we come out of this with one bill.

Chairman Laffen: I think that makes sense, being more comprehensive there might be some other facilities. The idea with this was maybe there is an economic development hub over at the Bank of North Dakota. If that is the idea that comes out of this there might be some of that space in some other facilities that belongs in this. This more comprehensive study should capture that.

Representative Kreun: As we indicated that was part of our discussion on how to utilize existing facilities as well as any new or additions to facilities. We also want to keep in there the payment lieu of taxes study. That was one of the things that was relatively important at that point and time. If we are buying land or buying property or other facilities and taking them off the tax rolls again, this study as far as payment in lieu of taxes should be part of that as well. It would offset any losses that townships, counties, cities, schools might have.

Chairman Laffen: If we killed this bill we would just have to hope they do that because that language isn't in the OMB one and we don't have the luxury of amending that one here.

Representative Gruchalla: Could we amend this bill in appropriations and include that language?

Chairman Laffen: We could attempt to do that. It's on our side now.

Representative Kreun: Would it be feasible to take all three of these bills and take whichever one is the best and incorporate all of them at once into one good bill?

Chairman Laffen: That was my idea. As I read them I thought the OMB budget bill was the best one in the way that they were written. That is why I would recommend that we kill this one and that we kill that piece in the next one. I think there are other parts in the next bill that are worth keeping.

Representative Kreun: If we could do that I think that would be a good move.

Senator Klein: I think we made some points on what we need to do to address the one last concern and put that into 1015. The discussion here is to whether or not we were looking at these amendments. I think we should move to accede to the House amendments and have that discussion with leadership. We will have to make that determination on the Senate floor as to whether or not we would have it continued.

Senator Klein: Moved to accede to the House Amendments.

Senator Murphy: Seconded the move.

Roll Call Vote: Yes - 6 No - 0 Absent - 0

Senate Carrier: Senator Laffen House Carrier: Representative Kreun

REPORT OF CONFERENCE COMMITTEE

SB 2223, as reengrossed: Your conference committee (Sens. Laffen, Klein, Murphy and Reps. Kreun, Becker, Gruchalla) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 795 and place SB 2223 on the Seventh order.

Reengrossed SB 2223 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

SB 2223

**Testimony of Senator John Warner on Senate Bill 2223
A bill for a study of the desirability and feasibility
of relocating economic development agencies to a single location
30 January 2013**

Chairman Klein, members of the committee,

This request for a study comes out of a growing concern about the space needs of some state agencies. I think there is a perception that the Department of Commerce was shoehorned into the available space in the Workforce Safety Building from the beginning and the State Courts system has long since outgrown the space allotted when it moved into the newly constructed judicial wing some years ago. I've listed the occupants of the J wing and some other relevant agencies:

Judicial Wing Occupants

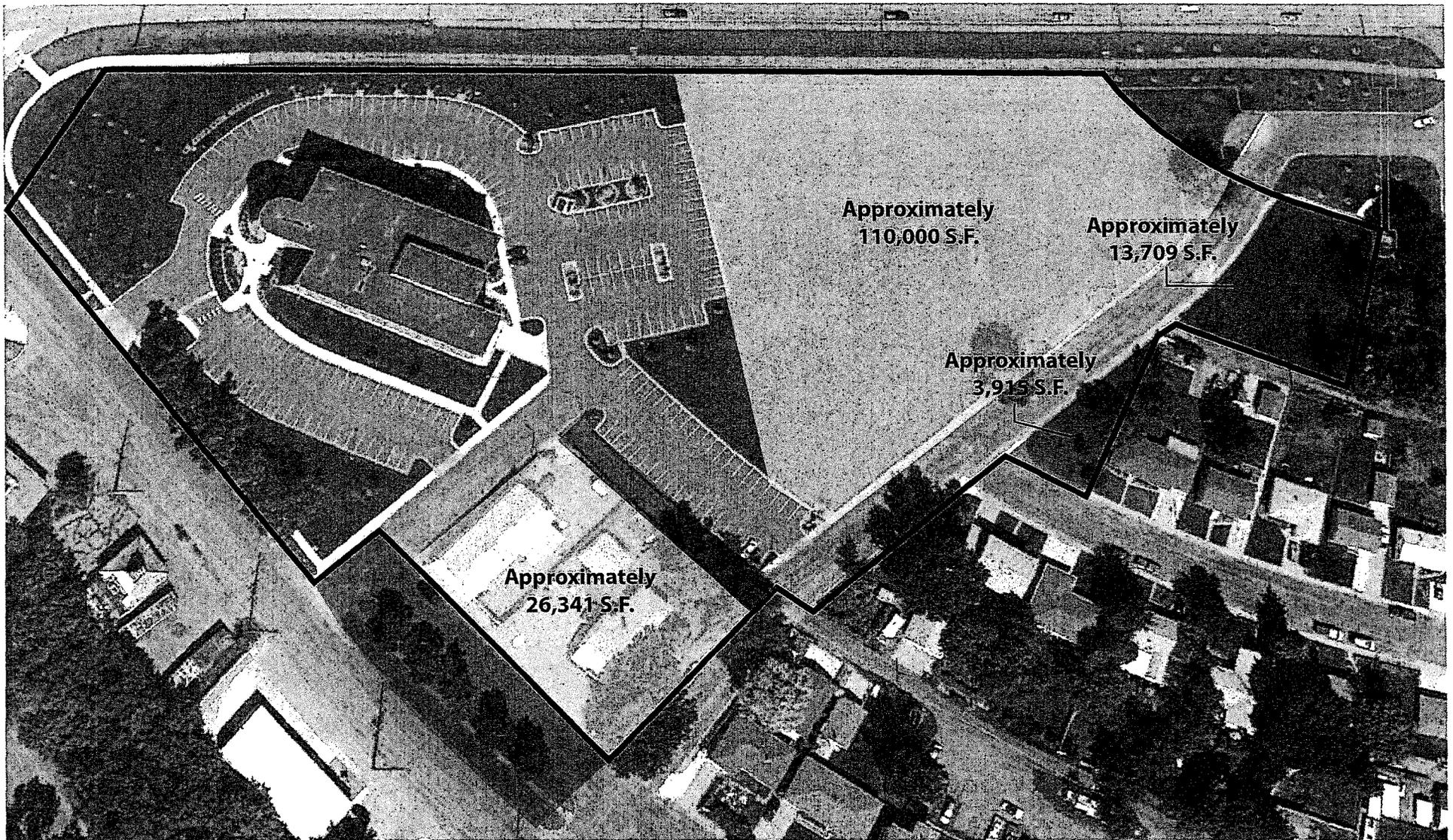
- State Court occupies 20,056 square feet
- Information Technology Department occupies 17,688 square feet
- Highway Patrol occupies 3,769 square feet
- Health Department occupies 27,210 square feet
- Human Services occupies 32,176 square feet
- Secretary of State occupies 2,506 square feet
- Indian Affairs occupies 728 square feet

Off-Site Agencies

- Commerce Department occupies 15,368 square feet
- Housing Finance occupies 13,760 square feet
- Information Technology Department occupies 69,617 square feet

I am told that the land already owned by the Bank of North Dakota adjacent to their site would support a building of about 80,000 square feet with parking adequate to support a workforce that would occupy a building of that size. This should be more than enough to house the Department of Commerce, Housing Finance and one or two other agencies related to economic development.

A rough approximation of the cost of office space these days is \$200/square foot in Bismarck or \$300/square foot for a limestone clad building on the Capitol grounds. Given those assumptions I would guess that the cost of the new building would be \$16 to \$24 million, to be paid for out of the profits of the Bank of North Dakota. Agencies which would be moved to the new building would pay market rents which would in turn cycle back to the general fund when the profits are returned. This is primarily a bookkeeping device but it does allow the occasional capture of overhead revenue from federal agencies or special funds. Commerce currently pays rent to WSI which is captured by WSI and not available to the general fund.



 BND Property Boundaries

 Limited use due to setbacks and zoning

Zoned CG Commercial

 Surface Streets - City of Bismarck may consider vacating for use

2-14-13

1

**Testimony of Senator John Warner on Senate Bill 2223
A bill for a study of the desirability and feasibility
of relocating economic development agencies to a single location
14 February 2013**

Chairman Holmberg, members of the committee,

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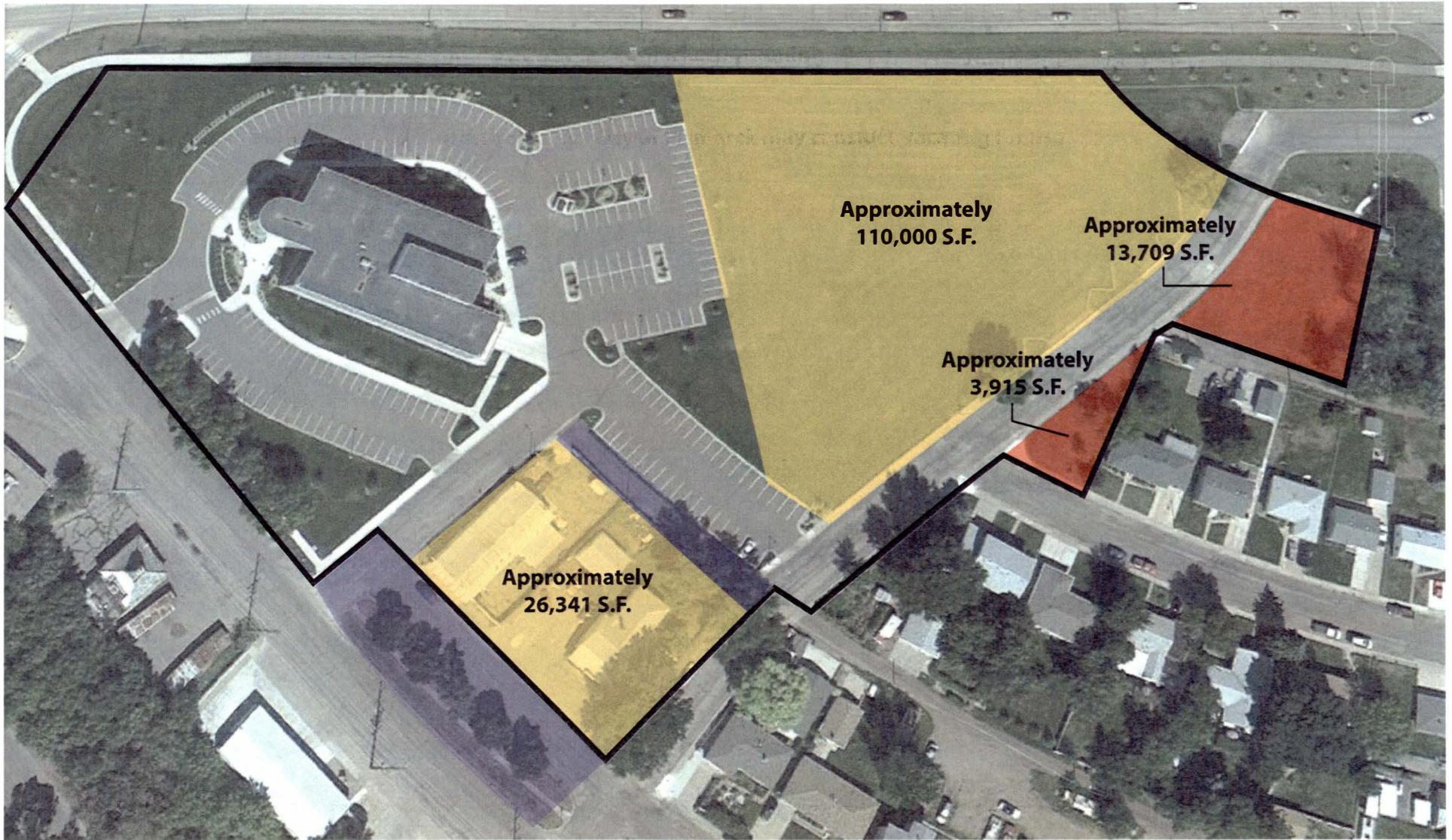
My initial thought was that if we moved ITD out of the Judicial wing to free up space for the courts and combined it with Commerce in a new building that it would take care of two problems at once. I have since become convinced that this would be a poor fit. Information Technology alone could occupy a building greater than 80,000 square feet and would better be housed in a hardened site, resistant to natural disaster or security incursion. I understand that there are efforts elsewhere in the legislature to find a rental property where all of the operations of ITD could be co-located.

The policy committee reduced the amount of the appropriations to a level that I think is adequate. They left the study of the J wing in the bill although I don't think any agencies currently housed in J will find a home in the proposed building.

You might want to consider if the appropriation should be taken from the General Fund or from the Bank of North Dakota. If you consider that the need for the study is to determine if it makes sense to relocate agencies then maybe it should be a general fund obligation. If the need for the study is to determine if the Bank of North Dakota should build an office building then maybe the bank should pay for it.

Senator Carlyle has an amendment prepared on the need to study 'in lieu of taxes', I am neutral on that amendment.

Mr. Chairman, members of the committee, we have an opportunity here to create a beautiful, efficient building in close proximity to the Bank of North Dakota, a showcase that tells the nation and the world that North Dakota is open for business. I hope you will give this initiative favorable consideration.



- BND Property Boundaries
- Limited use due to setbacks and zoning
- Zoned CG Commercial
- Surface Streets - City of Bismarck may consider vacating for use

2-14-13
#2

2



 BND Property Boundaries

 Limited use due to setbacks and zoning

 Zoned CG Commercial

 Surface Streets - City of Bismarck may consider vacating for use

SR 2223
3-12-2013
①

① 3-13-2013

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2223

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to require a legislative management study relating to state governmental facilities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY.

During the 2013-14 interim, the legislative management shall study the necessity and feasibility of the construction of additional facilities or renovation of existing facilities to house state governmental functions. The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch. The study must also include a review of options for payments in lieu of taxes if a new facility is constructed."

Renumber accordingly

Laffen, Lonnie J.

From: Laffen, Lonnie <laffen@jlgarchitects.com>
Sent: Sunday, April 07, 2013 9:36 AM
To: Laffen, Lonnie J.
Cc: Laffen, Lonnie
Subject: SB 2223

11:00 am Rosawelt Park
Laffen
Klein
Murphy
Kreun
Becker
Gruchalla

1. The intent of the SB2223 was to study alleviating space for WSI. Commerce and other Departments could likely move out. Is there a need for an Economic Development Campus at BND - they have land at that site - already owned?
2. The senate added to also look at the J-Wing as Judicial Branch says they need more space (We heard this in the State of the Judiciary address from Chief Justice Vanderwalle. If any agencies that fit this character are in J-Wing - they should move to Commerce or WSI or the new facility. This is our chance to get them out of the Capitol.
3. House basically took out the appropriation (which we had lowered in committee), and changed it from "shall consider studying" to "shall study".
4. Additionally the house took a totally unrelated bill SB2339 and added very similar language.

Review current state government space utilization by all state government branches and agencies, including rental, lease, and state-owned facilities. The study must identify any recommended changes to the state's facility master plan.

5. Additionally - someone added to the OMB Budget Bill HB1015 the following:

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY

NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Lonnie J. Laffen, AIA, LEED, AP
JLG Architects
124 North Third Street - Grand Forks, ND 58203
p 218.779.2012
Grand Forks | Minneapolis | Fargo | Bismarck | Alexandria | Minot | Williston
www.jlgarchitects.com

