

FISCAL NOTE
Requested by Legislative Council
01/09/2015

Revised
 Bill/Resolution No.: SB 2159

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$10,200,000		
Expenditures				\$10,200,000		
Appropriations				\$10,200,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Permits the sale of existing 240 acres of Dickinson Research Experiment Center (DREC) land; purchase of new land and related improvement of 1,680 acres in Stark County.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 permits sale or transfer of existing 240 acres; purchase of land not to exceed a cost of \$2,602,000; and, continuing appropriation for difference between sale proceeds and expenses to be used for research.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Estimated proceeds from sale of 240 acres (40,000-\$45,000 acre) is \$9,600,000- \$10,800,000 or an average of \$10,200,000.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Estimated cost of 1,690 acres of land is \$2,602,000 plus estimated related improvements of \$6,000,000 is \$8,602,000. Improvements include construction of storage buildings, an agronomic research facility, livestock work facilities, new fencing, internal roadways and research plot access points.

The difference of about \$1,598,000 between the sales proceeds (\$10,200,000) and the land/improvement purchase (\$8,602,000) would be placed in a special fund and be subject to a continuing appropriation to be used for research purposes, yet to be identified. The research funds may or may not be spent in the 15-17 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 01/12/2015

FISCAL NOTE
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Date Prepared: 01/12/2015

2015 SENATE POLITICAL SUBDIVISIONS

SB 2159

2015 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Red River Room, State Capitol

SB 2159
1/23/2015
Job number 22450

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

To authorize the state board of higher education and the state board of agricultural research and education to acquire certain real property in Stark County.

Minutes:

Attachments #1,#2- #3

Chairman Burckhard opened the hearing on SB 2159. Senators Judy Lee, John Grabinger, Senator Howard Anderson, Senator Bekkedahl was present. Senator Jim Dotzenrod was absent.

Senator Wardner introduced SB 2159. It is a bill that authorizes the purchase of land from the Dickinson Research Center to the Dickinson Public Schools and also allows for the purchase of property from a private entity south of Richardson and east of Richardson, ND, so the land for the research. The research center would be selling some property, and authorizing them to purchase some. It goes through lots of levels. We are the last group to bless this thing when it goes through the Legislature. Written testimony #1. Senator Wardner explained the map he handed out to the committee and referenced the bill.

Chairman Burckhard asked Senator Wardner how far Richardson, ND is from Dickinson, ND?

Senator Wardner replied Richardson is about 25 miles to the east of Dickinson on I-94 and this property is about 2 miles east and about 2.5 miles south.

Chairman Burckhard asked Senator Burckhard how many acres is there?

Senator Wardner replied I think it is 600+. I will leave that to Kris Ringwall.

Senator Grabinger asked Senator Wardner. I am not seeing it, are we just giving this land to the Dickinson School system; were not selling it to them or charging them anything for it?

Senator Wardner replied no, they have to buy it. What happens on this property when it is state land and it belongs to the taxpayer you have to have a transparent purchase. You have to have it assessed and appraised so that you have fair market value on it. It has been appraised and assessed.

Kris Ringwall, Director of the Dickinson Research and Extension Center (7:05-17:28) which is part of the North Dakota State University and is here in favor of the bill. Written testimony #2- 24, # 3.

Chairman Burckhard asked Kris Ringwall with all the oil that is being developed is there any chance of oil development on this kind of land? Are you purchasing the mineral rights? **Kris Ringwall** replied, he didn't know. We are not purchasing the mineral rights with it.

Senator Bekkedahl asked Kris Ringwall so the buildings that you currently have from State Street there, that will stay as your headquarters? **Kris** replied yes, that is our headquarters.

Senator Bekkedahl then replied your just expanding ranch land for use for the research but you still will be located in Dickinson? **Kris Ringwall** replied correct. Our headquarters will be in Dickinson and we still have seven quarters of land in that Dickinson area. We are just selling a portion.

Senator Grabinger asked Kris Ringwall I can understand the sale in Dickinson and everything. How important is the purchase of this land to what your research is? How needed is this property? It looks to me like you own quite a bit of property already or the research center has quite a bit of property within their means already. Do they need this additional land? Could you elaborate a little bit on this?

Kris Ringwall replied in terms of meeting our mission in western North Dakota, it is an excellent question. We get that quite a bit, two things impact that, one is just our general semi-arid country so when we come to do our agricultural work like our stocking rates, when we buy a quarter of land in southwest ND you may put on that 160 acres you're looking at having probably 10 or 12 cows. So, if you want to replicate research and have enough cattle to do that replication it takes large pastures to do that. The other thing that impacts us very much so is soil type. When you look at any particular piece of ground, if you want to do an efficient replication you may have large pieces of ground that you're utilizing you have to each replicate on each soil type. Because there are so many soil types it is a challenge sometimes to get the right plot. So even though we are a large center, our cattle inventory is only 250 some cows. If you move to the east you might double that or triple that just because. It's an expansive situation and to be reflective of agriculture in western North Dakota that's kind of the way it is.

Doug Sullivan written testimony # 3 (20:22-25:04) Superintendent of the Dickinson Public Schools, in support of SB 2159.

Chairman Burckhard asked Mr. Sullivan about Hagen Junior High what will happen to that school?

Doug Sullivan replied those discussions will be initiated here shortly. One of the things that the school board told the community when the bond election was proposed and presented to them in October, was that we will have conversation with the community about how to re-purpose the junior high because it still does have utility for the school district. But it has outlived its life as a educational facility.

Chairman Burckhard and the new school is approximately how far away from Hagen Junior High?

Doug Sullivan replied I would guess that new school is approximately 3 miles.

Chairman Burckhard so also what we have in common is Senator Wardner is pretty impressive leader here too, so it's nice he's in Dickinson and doing good things for you guys as well. **Doug Sullivan** replied we feel very fortunate to have Senator Wardner.

Senator Bekkedahl asked **Doug Sullivan** I am just curious we just purchased some property for our new high school expansion in Williston on the edge of town. This is underdeveloped property at \$70,000 acre, what is this purchase price breaker? **Doug Sullivan** replied that it is \$45,000.

Senator Judy Lee shared this comment. I am from West Fargo and I know about growing schools too, and I certainly support this effort. I think it is remarkable that you've been able to use a building that is 80 years old to educate the way kids learn today. Because I live a couple of blocks from a little school that isn't that old and we just opened another one last year. The set-ups in the structure, same is true as for long term care facilities, and other things like that just the whole lay-out of environments for learning are so different from back in the olden days when we were all lined up in wooden desks with a blackboard in front. It is a compliment to your district that you've been to get along fine with that older building.

Doug Sullivan thank you and we appreciate those comments. Just for the information of the committee, it might be an interesting point to note that the Dickinson Public Schools I believe has been in operation for 128 years, this will be the first middle school ever constructed in the school district because Hagen Junior High School was actually constructed as Dickinson High when it was originally built. Then it was repurposed later on.

Julie Ellingson (28:11- 28:50) North Dakota Stockmen's Association The presentation was made before the ND Stockmen's Association Board of Directors' at our December meeting. Our board voted to endorse this piece of legislation. As you know research is the life blood of agriculture. Our foundation industry here in ND and so the situation really makes all the stars align. We are able to support a fantastic facility that services our industry as well as accommodating the new for the school system along with the wishes from an advisory committee member who was committed to research in agriculture.

Lucas Hoff (29:03- 30:12) Agricultural producer in Western North Dakota I am from Richardson. I am in favor of SB 2159 and I also serve on the Research Centers' Advisory Board. In time we have heard a lot of the comments and struggles the scientists have had and continuing research and making things work and understand what they are going through. I am also a brother-in-law to Duane. He also served on the committee in the past and he understood that. He was also a very strong person that would be involved in city, county boards, community boards, state boards and he always felt the need for this. The family feels strongly about it and wants to continue and see it through. So I am here speaking in favor of a family representative and as a producer.

Senator Anderson It is my understanding that the research center has been leasing

Boehm property for some time now. Is that correct? **Lucas Hoff** replied no.

Senator Anderson continued, so this is just isn't property that they have been leasing?

Lukas replied no this is not that property. Duane has operated this when he was sick. He had passed away from cancer and he operated it all the way through. He passed away in the summer and we finished out his crop for the family and took care of things for him.

Chairman Burckhard so the community of Dickinson is pretty fortunate to have Duane name in the center. Lucas Hoff replied I would like to think so, yes.

Bruce Sellinger (31:01-32:40) Attorney in Dickinson. I've been appointed Assistant Attorney General to our special assistant attorney general to help in this process of moving this thing Forward. Everything I've heard and seen, it seems to be a win-win situation for everybody. Although we do have a lot of hoops to continue to jump through, time is of the essence. We need obviously the committees and the legislature blessing so that we can proceed. As you can see if you look at the purchase agreement, we need then to take it to the State Board of Higher Education for their approval, Governor's approval, NDSU Agricultural and Applied Sciences, Dickinson Public Schools who then has to take it to their board, and so there is a lot to do in a short period of time considering the school would like to break ground in March. I encourage passage of this bill and would hope we can move this thing on as fast as we can. I think we have everything in place to proceed, but again until we get the authority from the Legislature we can't go forward.

Chairman Burckhard closed the hearing on SB 2159.

Senator Judy Lee recommended a do pass on SB 2159 with the emergency clause.

Senator John Grabinger 2nd.

Role call vote 5 yea, 0 nay, 1 absent

Carrier: Senator Judy Lee

REPORT OF STANDING COMMITTEE

SB 2159: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2159 was placed on the Eleventh order on the calendar.

2015 HOUSE APPROPRIATIONS

SB 2159

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

SB 2159
2/11/2015
#23667

Subcommittee
 Conference Committee

Seanette Cook

Explanation or reason for introduction of bill/resolution:

Relating to authorizing the state board of higher education and the state board of agricultural research and education to acquire certain real property in Stark County; to provide a continuing appropriation; and to declare an emergency.

Minutes:

Attachments # 1 - 3

Brynhild Haugland Room

Chairman Jeff Delzer called the meeting to order.

Senator Rich Wardner from Dickinson ND spoke as a sponsor of the bill.

See attachment #1 - map of land purchase for Dickinson Public Schools and the NDSU Research Center.

Referred to page one, section one, part A which talks about the 30 acres. That is the land where they will place the school. It is important that they get approval, so it can get started. The #2 part talks about the State Board of Agricultural research and education. They grant the school district the first refusal of the purchase. That is in the dotted is in the dotted area, and they have five years to exercise that option. In #2 it also talks about the land description of the ranch, 1,600 acres of land, which is SE of Richardton, North Dakota, very close to the interstate.

Chairman Jeff Delzer: Why in the middle of those acres, as compared to one of the edges?

Wardner: Probably because the west end is very valuable land, and the school district has to pay for it. Also the topography is more conducive to building there.

Kris Ringwall, Director of Dickinson Research Extension Center (DREC), spoke in favor of the bill and provided written testimony. See attachment #2. Mr. Ringwall reviewed the "Talking Points". Page 1 - Attachment #2 and referenced each of the other colored sections.

- The red tab is to reference the concept of our mission to remind you of rangeland research, beef cattle and agronomic research.
- Slide 8 is Duane Boehm and his efforts to allow this to happen.
- The yellow tab is the map.
- The green tab is the location of the Boehm Research Farm.
- The blue tab is a summary of the proposed action by the State Board of Higher Education.

Vice Chairman Keith Kempenich: The fiscal note says \$10.2 million. The (money) will probably go for more than the purchase of the Boehm farm, what are the plans for the rest of those funds?

Ringwall: There are no general fund expenditures here. We are offsetting the purchase of the land with the sale of some of the land. Our estimates are based on current appraisals that we have on the land and the amount of land that we would have to sell to make the purchase. The legislature approved in 1979 the purchasing of the Manning Ranch. We sold Section 5, which was just south of the Research Center. It took us about 20 years to convert the Manning Ranch from a private entity to a functioning public research facility. We have asked through the State Board of Higher Education is to have the money set aside that is in excess of what we sell, to be used for the development of that particular piece, the Boehm Research Farm, over the course of the next 6 - 10 years. We would come back to this body for guidance on how to do that. The money could just be set aside to use for improvements and the conversion of a private farm to a research center.

Chairman Jeff Delzer: It says continuing appropriation on that particular money. I have some concerns that before you spend any of that money, that you would need to come back to the Legislature.

Ringwall: Absolutely, we would come back to the Legislature. The way the bill was written, I would see it as a requesting process to you. I don't think that we would do anything different than we do currently. We would send it through standard procedures.

Chairman Jeff Delzer: Our concern is that the bill says you would not have to. We would want to take care of that, either in this bill or another one.

Representative Skarphol: There has been a downturn in the oil industry right now. What if you don't achieve the goal as far as dollars raised by the sale? Are you going to divest yourself of more property in order to ensure that you can cover the cost?

Ringwall: We do have additional property, and that would certainly be the approach. We put the 240 acres up for sale, but that was speculative. We tried to put enough up, so we could get this covered. I think we have. Then these extra dollars get generated in that process. We would come back then and ask for clearance to sell additional land if we had to.

Doug Sullivan, Superintendent of Dickinson Public Schools, spoke in favor of the bill. See attachment #3.

Chairman Jeff Delzer: Do you have the money set aside?

Sullivan: Yes, we do.

Chairman Jeff Delzer: How much? that's the property and the school

Sullivan: \$1,350,000.

Chairman Jeff Delzer: Is that both for buying the property and building the school?

Sullivan: No, the money for building the school was in the bond that was approved in October.

Chairman Jeff Delzer: The \$1.3 million is for the thirty acres?

Sullivan: That is correct.

Representative Kreidt: What is the total enrollment in the Dickinson School District?

Sullivan: Approximately 3,450 students.

Mike Beltz, State Board of Ag. Research and Education, stood to support HB 2159. This bill is a win/win. It provides Dickinson the opportunity to build a school and the Dickinson Research Extension Center to purchase property for research purposes. The bonus is that it honors the wishes of the Boehm family.

Julie Ellingson, ND Stockman's Association, stood to support HB 2159. Research is the lifeblood of agriculture; it is our opportunity to adapt science and new technologies to our industry. The Dickinson Research Center certainly provides that service to the beef industry. We endorse this proposal and ask for your favorable consideration of it.

There was no further testimony in support of HB 2159.

There was no testimony in opposition to HB 2159.

There was no neutral testimony on HB 2159.

The hearing was closed on HB 2159.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2159
2/18/2015
#24078

Subcommittee
 Conference Committee

Committee Clerk Signature

Jeanette Cook

Explanation or reason for introduction of bill/resolution:

Boehm research farm and 30 acres in Dickinson for school.

Minutes:

Chairman Jeff Delzer reviewed the bill. It would allow the research station to sell 30 acres in the middle of Dickinson to the school district. There would be another 40-50 acres in that section that would have a five year right of purse refusal to the school district. After that time it could be sold. If the school district does not buy it, then there is another quarter they are planning to sell right away. Then they are planning on turning around and buying 1,600 acres south of Richardton, which basically touches what they currently have. The total fiscal note is somewhere around \$10 million, and they claim it is all special funds, and there is money to do it. They provided maps. The 30 acres is prime property right in Dickinson that they are talking about selling.

Vice Chairman Keith Kempenich: What the school will be paying for the 30 acres will cover about half of what they need to purchase the ranch. It will be named the Boehm Research Farm. I think they are forecasting about \$9 million for the sale of 200 acres of the ranch. There will be more than enough to deal with the land purchase.

Chairman Jeff Delzer: The price of the ranch is \$1400 an acre for a total of \$2.352 million plus an offset of local tax revenue of \$250,000. The school sits in the middle of the 80 acres. It shows the Boehm ranch is touching some of where they are located, as well.

Vice Chairman Keith Kempenich: They have a couple quarters down there, two miles off of the interstate.

Vice Chairman Keith Kempenich moved a DO PASS on HB 2159.
Representative Brandenburg seconded the motion.

Representative Skarphol: I will support the bill. I am just wondering if real estate is going to be selling for the prices that they are projecting in that area. If they come up short of what they need, what is the alternative?

Vice Chairman Keith Kempenich: They do have more land that they could sell.

Chairman Jeff Delzer: How do we track it if they sell it for more money than it costs for the ranch? We haven't had a discussion of how we will track the excess money if they have it.

Representative Skarphol: We put provisions in the main research station in regard to that issue. Maybe it was specific to Williston? It had to do with any excess money that could only be spent on that institution, and it had to be reported to the committee.

Chairman Jeff Delzer: It may have been Williston, but I think it was the Dickinson one because there were some oil royalties.

Chairman Jeff Delzer: Brady, can you check that out for us?

**A roll call vote was taken for a DO PASS on HB2159. Aye 22 Nay 0 Absent 1
The motion carried.**

Vice Chairman Keith Kempenich will carry HB 2159.

Date: 2/18/15

Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2159

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By: Kempewich Seconded By: Brandenburg

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓			Representative Nelson			—	Representative Boe	✓		
Vice Chairman Keith Kempenich	✓			Representative Pollert	✓			Representative Glassheim	✓		
Representative Bellew	✓			Representative Sanford	✓			Representative Guggisberg	✓		
Representative Brandenburg	✓			Representative Schmidt	✓			Representative Hogan	✓		
Representative Boehning	✓			Representative Silbernagel	✓			Representative Holman	✓		
Representative Dosch	✓			Representative Skarphol	✓						
Representative Kreidt	✓			Representative Streyle	✓						
Representative Martinson	✓			Representative Thoreson	✓						
Representative Monson	✓			Representative Vigasaa	✓						

Totals

(Yes)	<u>22</u>
No	<u>0</u>
Absent	<u>1</u>
Grand Total	<u>23</u>

Floor Assignment: Kempewich

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

REPORT OF STANDING COMMITTEE

SB 2159: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS**
(22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2159 was placed on the
Fourteenth order on the calendar.

2015 TESTIMONY

SB 2159

SB 2159
1.23.15
#1

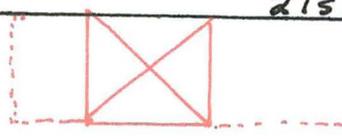
N

Land Purchase
Dickinson Public
Schools
and
NDSU Research
Center

By Pass

New
Police
Box
Fire

21st St



✓
Roers
Addition

I-94

NDSU
Research
Center

Empire Road (10th St)

New
Hospital

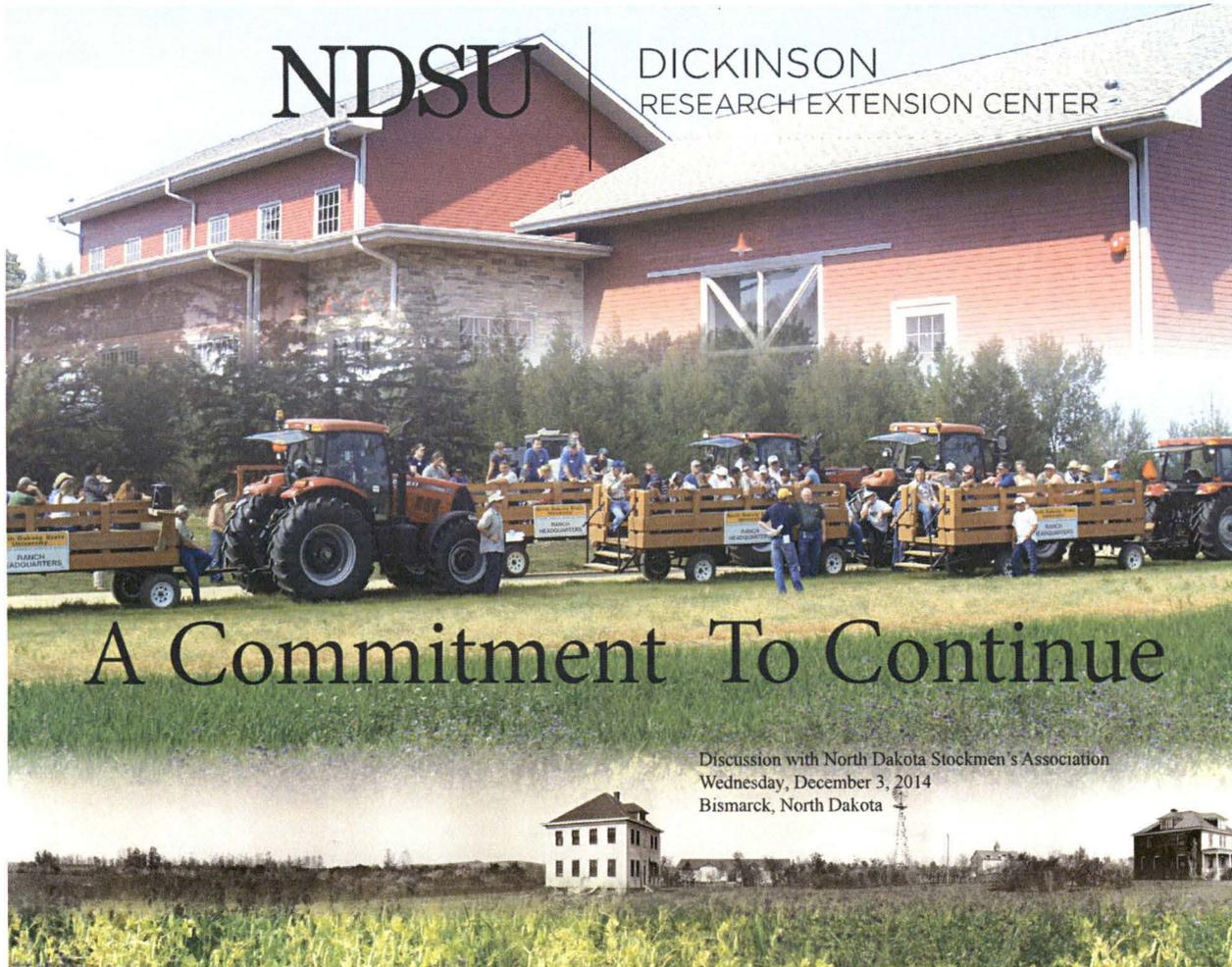
Community
Center

Dickinson
High
School

Sanford
Medical
Center

S

SB 2159
1.23.15
#2



NDSU

DICKINSON RESEARCH EXTENSION CENTER

A Commitment To Continue

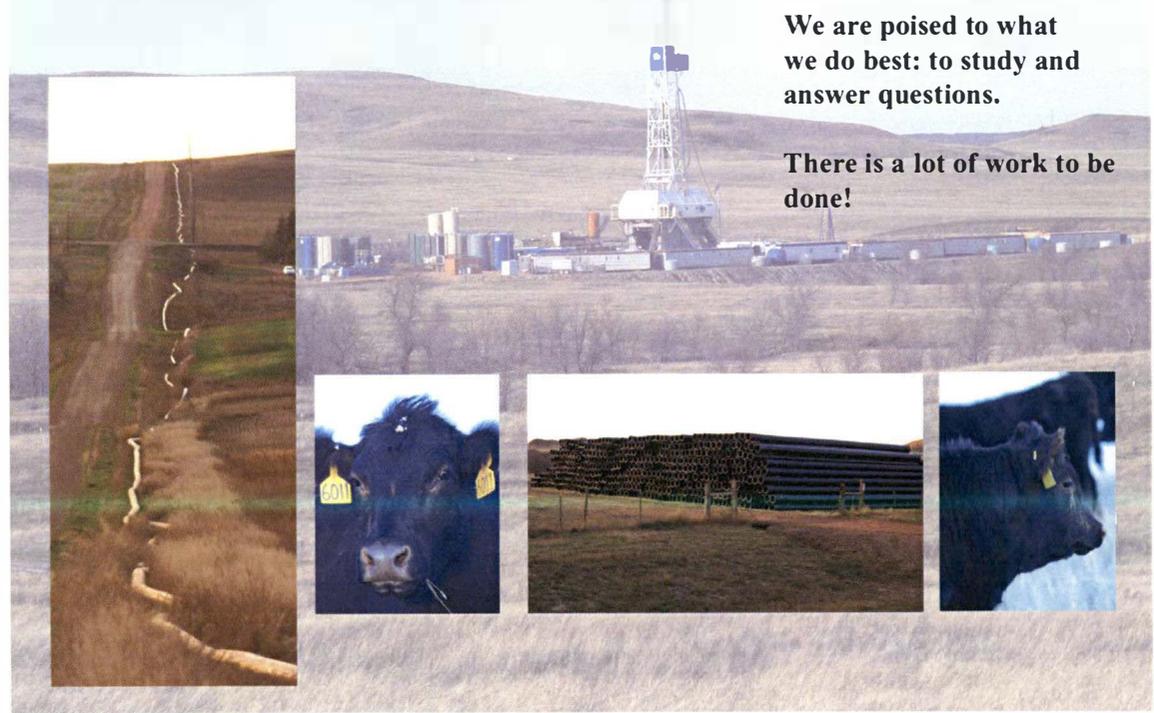
Discussion with North Dakota Stockmen's Association
Wednesday, December 3, 2014
Bismarck, North Dakota

NDSU

DICKINSON RESEARCH EXTENSION CENTER

2

In the heart of oil development

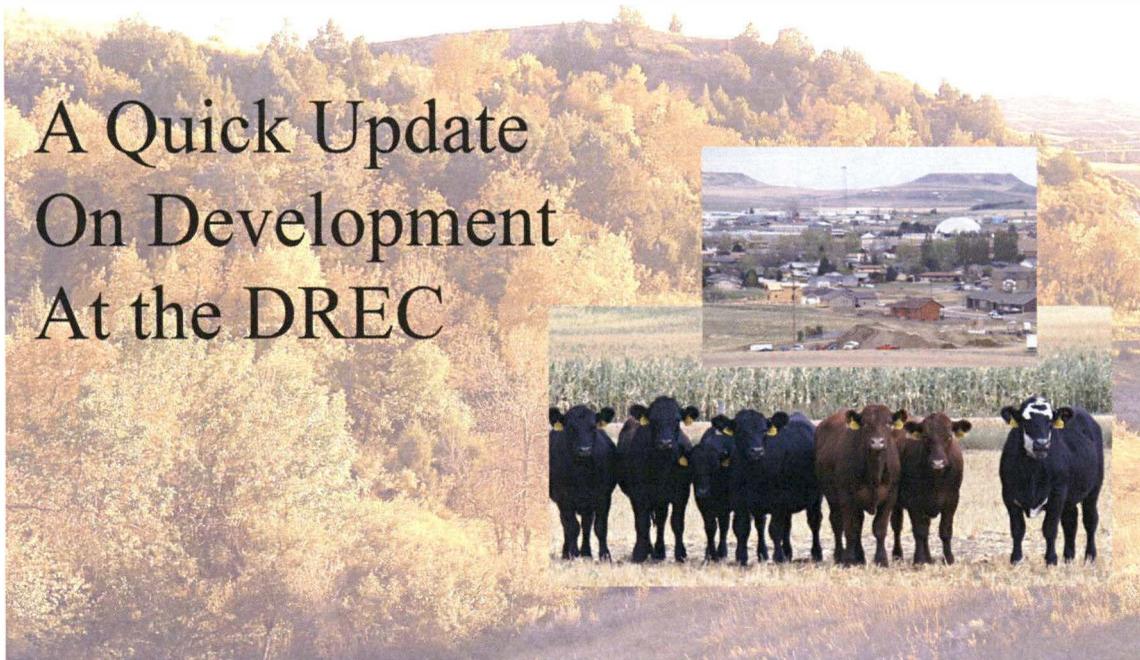


We are poised to what we do best: to study and answer questions.

There is a lot of work to be done!

Welcome to Dickinson

A Quick Update
On Development
At the DREC



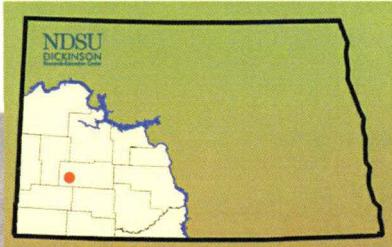
We are part of the NDSU team . . .



to create successful outcomes!

Our Mission . . .

. . . at or near Dickinson in Stark County. The Center shall conduct research on

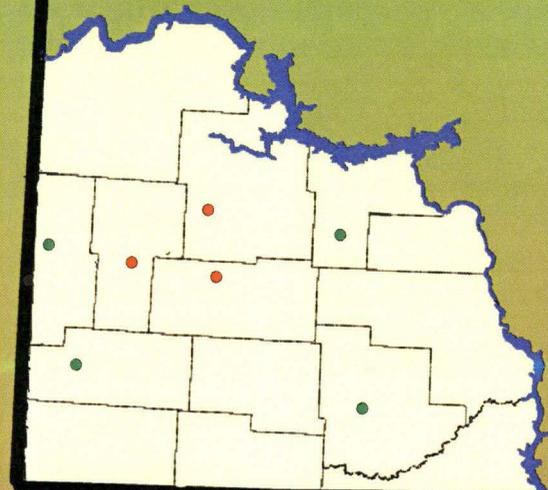


- native rangeland
- beef cattle
- agricultural products of the soil



with emphasis on conservation and preservation for future generations.

Dickinson Research Extension Center 13-county region south and west of the Missouri River.



- 4,916 acres of owned land in 3 counties
- annual land leases in 6 other counties
- serving producers continuously since 1905

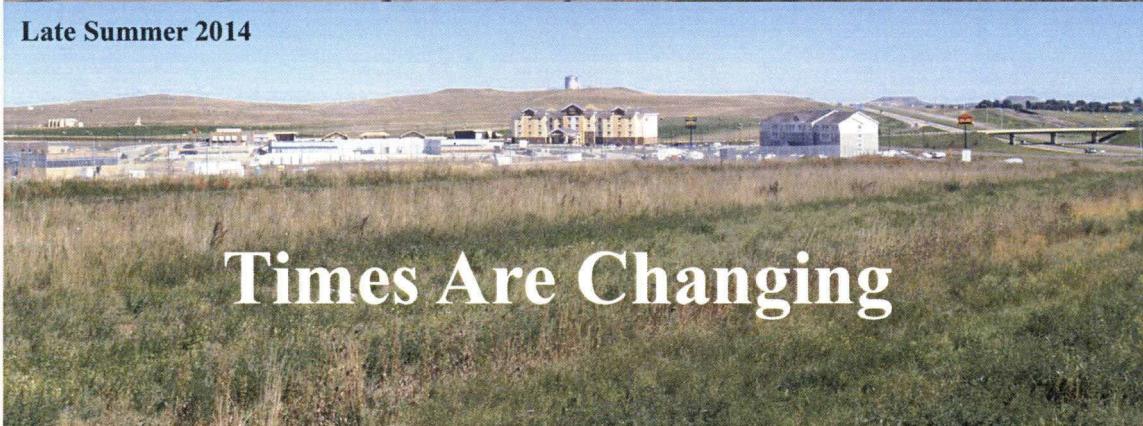
● Counties where DREC owns and/or leases land

● Counties where DREC leases land

Spring 2012



Late Summer 2014



Times Are Changing

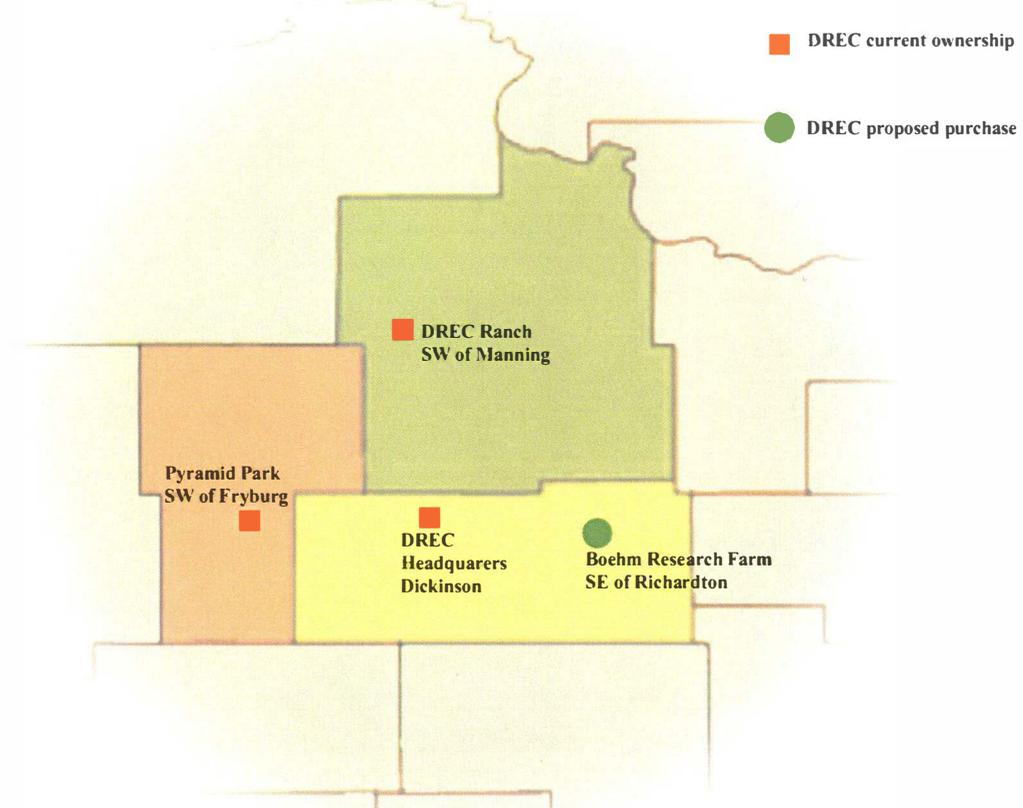
With Dickinson city proper expanding, we need a farm/ranch where the DREC can continue its legislatively mandated mission.

It was a request from the late Duane Boehm, who served on the DREC Advisory Board, that the Boehm Farm be used for agricultural research. The DREC has an option from Chantra Boehm on 1,680 acres. The DREC will be seeking legislative approval to sell some of the Center's land near the headquarters in Dickinson to purchase this property.

**Boehm Research Farm
Southeast of Richardton
In Stark County**

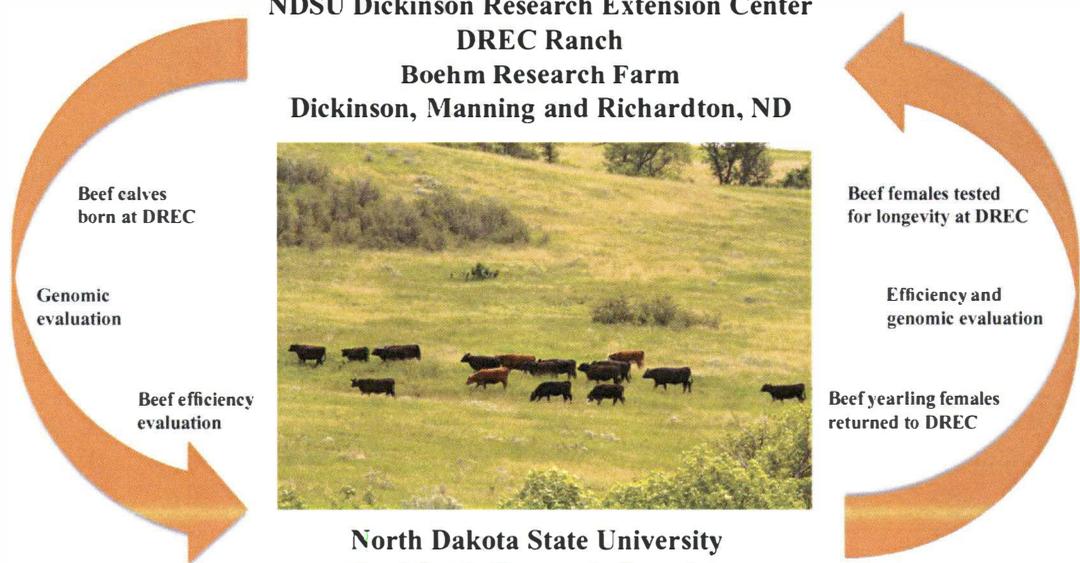


Duane Boehm
May 19, 1948 - June 29, 2014



Beef Efficiency and Longevity Genomic Research

NDSU Dickinson Research Extension Center
 DREC Ranch
 Boehm Research Farm
 Dickinson, Manning and Richardton, ND

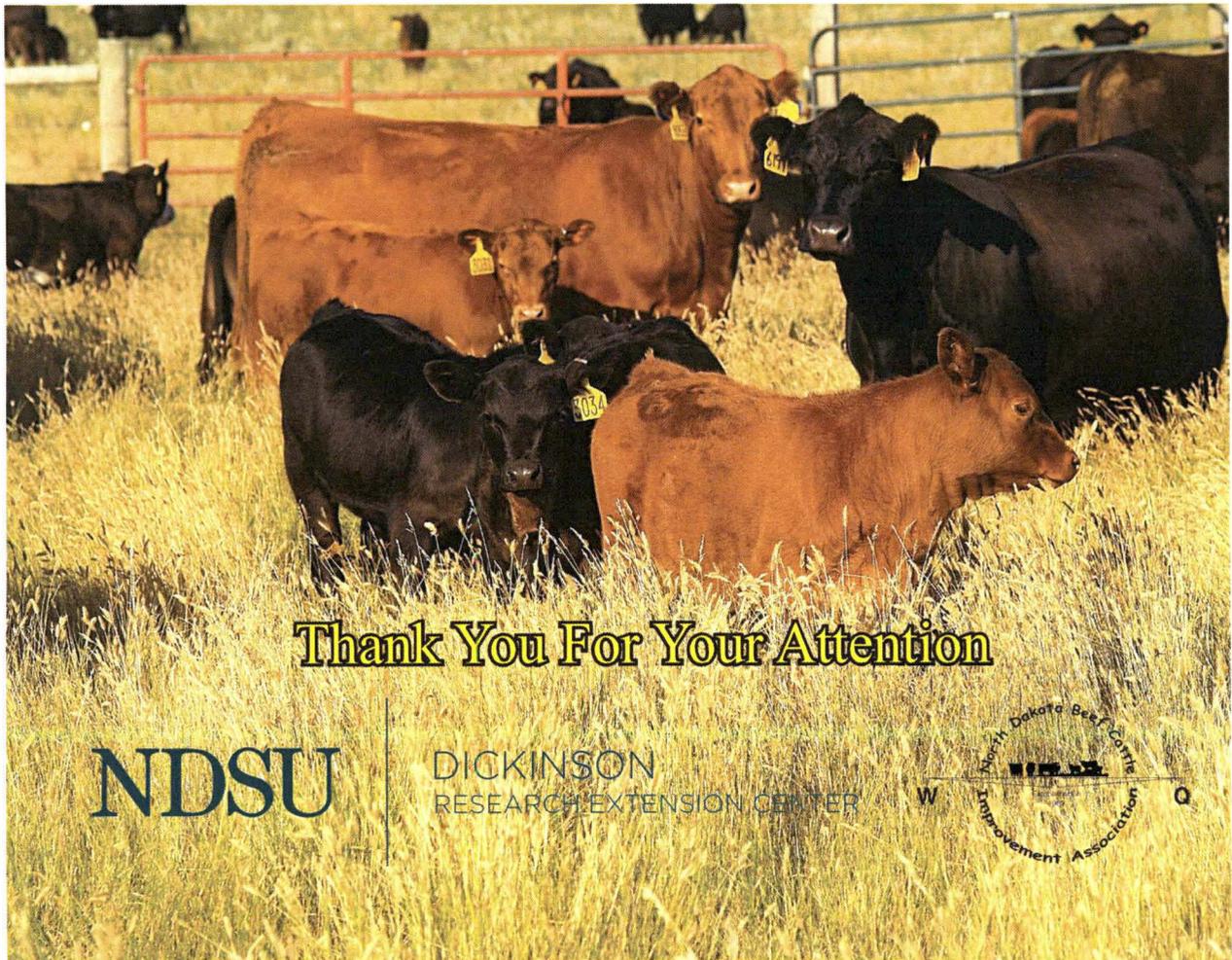
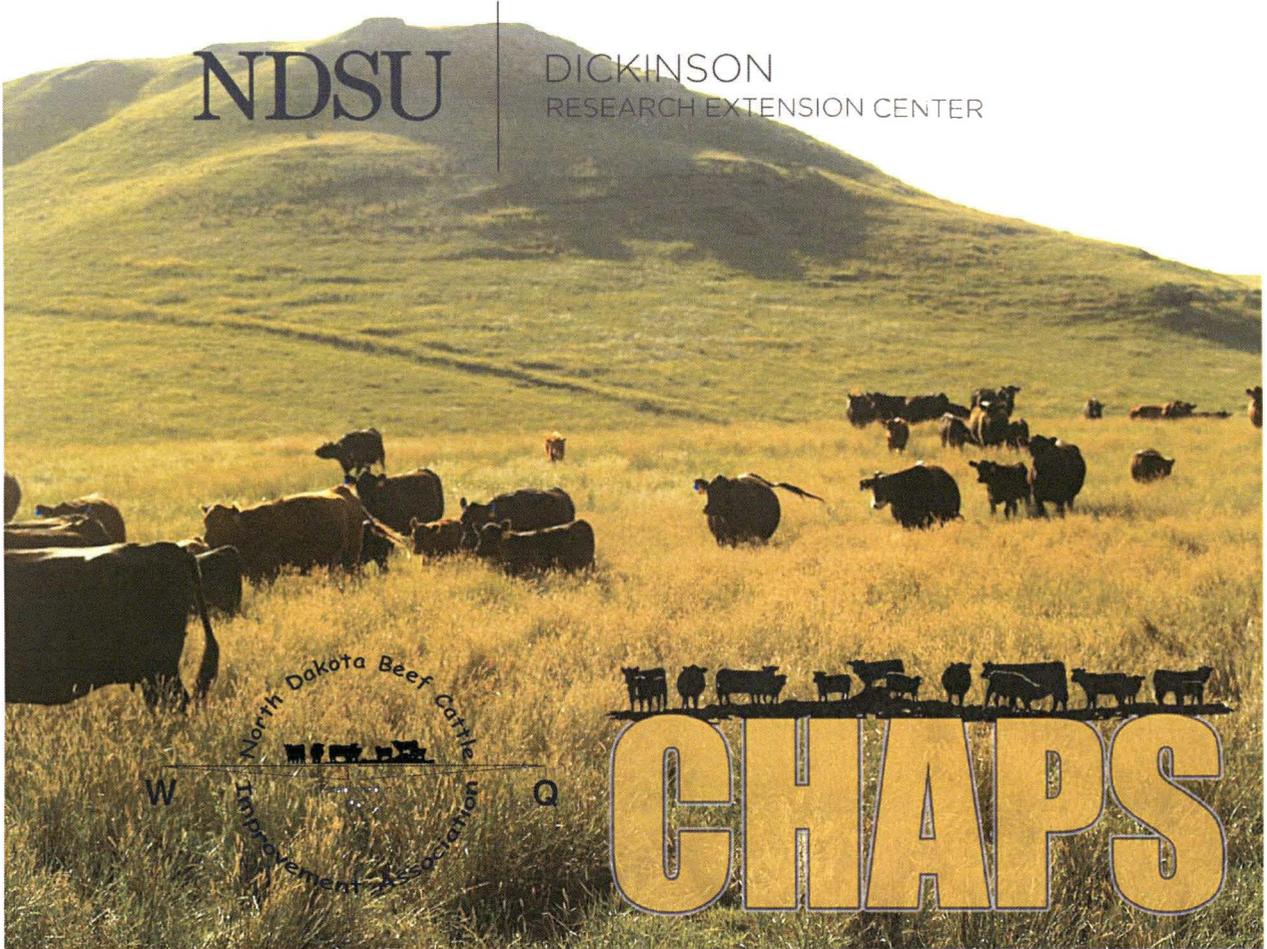


North Dakota State University
 Beef Cattle Research Complex
 Lauren Hulsmann Hanna, Kendall Swanson, Robert Maddock
 Fargo, ND

Continuing a Commitment to Producer Profitability

NDSU

DICKINSON
RESEARCH EXTENSION CENTER



Thank You For Your Attention

NDSU

DICKINSON
RESEARCH EXTENSION CENTER



North Dakota State University, November 20, 2014

Authorize NDSU Dickinson Research Center (DREC) to enter into an exclusive option to purchase land agreement with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner.

Background

Over the years, the Dickinson Research Extension Center has grown from the original 160 acres to the current 4,916 acres - 3,259 acres are at the ranch unit north of Dickinson where range and beef research is conducted.

Today, the DREC has a unique blend of staff and programs. Research and Extension staff include animal, crop and range scientists. Work at the Center focuses on these areas: agronomy, beef systems, biosecurity, cropping systems, environmental quality, horticulture, rangeland systems and sustainable agriculture.

Due to the rapid growth and expanding urban development of the Dickinson area, existing DREC land that is proximate to the urban area is becoming unsuitable for its research mission. The opportunity to sell the existing property and subsequently purchase the large tracts of new land is imperative to continued successful operation of the DREC. Note that existing DREC administrative operations and facilities will remain in their current location.

Project Description

If approved, The NDSU Dickinson Research Extension Center will enter into an *Exclusive Option to Purchase* for approximately \$2,602,000 the following 1680 acres of property in Stark County, North Dakota:

Township 139 North, Range 91 West

- Section 30: W½
- Section 31: W½

Township 139 North, Range 92 West

- Section 25: S½
- Section 26: SE¼
- Section 36: N½; N½S½; S½SE¼

The property is being offered through the estate of Duane J. Boehm. The family, though the estate, would like to honor Mr. Boehm's wishes regarding the sale of the land to the DREC for the purpose of agricultural research. The purchase of this land will be contingent on Legislative authorization and also the sale of the following DREC property at public auction or private sale:

Sell the 160 acres, more or less, of the southwest quarter, Sec. 29 (T 140N R 96W)

Sell the 80 acres, more or less, of the N ½ of the NW ¼ of Section 32 (T. 140 N., R. 96 W)

Sale of the above 240 acres of DREC property is anticipated to generate revenue sufficient for the purchase of the estate land, complete all improvements which will convert the land from private ownership to a working research property, and pay for future increased operating costs. Improvements include construction of storage buildings, an agronomic research facility, livestock work facilities, new fencing, internal roadways, and research plot access points. The improvements are anticipated to cost approximately \$6,000,000 over about a six year period. The DREC will return to the SBHE for specific authorizations as required for the improvements during that time, including any proposed changes in the budget or expenditures indicated in this request.

Recent land appraisals conducted by RM Hoefs & Associates, Inc., of Fargo at the request of the DREC for the purpose of granting easements have suggested values ranging from \$40,000 to \$45,000 per acre. However, more recent general discussions would imply lower values, although interested larger scale developers may tender an offer which exceeds the

aforementioned appraisal, for a potential gross sale of over \$9,600,000. *The DREC wishes to emphasize this is an estimated return, and included only for the purpose of illustrating the ability to provide revenue for both the purchase of estate land and completion of the subsequent improvements.*

A draft of the bill authorizing the sale of DREC property at public auction or private sale and the acquisition of replacement property is being prepared for introduction and sponsorship by Senator Wardner, District 37, at the 64th Legislative Assembly. If approved, it is anticipated the land sale and acquisitions will be completed by December, 2015 with improvements to the property initiated thereafter.

Consistency with Campus Facility Master Plan and Budget

The three principal responsibilities of a traditional land grant university are: *Teaching, Research and Public Service*. DREC strives to work with southwest North Dakota people to utilize and protect the air, soil and water. Its objectives are to research and report on agricultural methods that are *sensible*, appear *sustainable* and advance *stewardship* for the families of North Dakota. Its goal is to engage in science-based research that achieve *solutions*. The purchase of this land would be consistent with NDSU's land grant responsibilities and would further the Center's mission, objectives and goals in serving the people of North Dakota and those beyond its boundaries.

SBHE and/or Legislative History

The Dickinson Research Extension Center was established by the 1905 North Dakota Legislature as a research location representative of the Missouri Plateau region. The goal was to develop research on crop production for farmers of the region and to improve native and introduced forage crop production for cattle ranchers. The Dickinson Research Center must be located at or near Dickinson in Stark County. The Center shall conduct research on increasing the carrying capacity of native rangeland, with emphasis on conservation and preservation for future generations. The Center shall conduct research on grass production to determine how to best compensate for the vagaries of the weather as it influences forage production in the dry land agriculture of western North Dakota. The Center shall conduct research at the ranch location in Dunn County with beef cattle breeding, feeding, management and disease control for the benefit of livestock producers of western North Dakota and the entire state. The Center shall conduct research designed to increase productivity of all agricultural products of the soil by maintaining or improving the soil resource base in the dry land agricultural region of southwestern North Dakota by the identification of adapted crop species and superior crop cultivars; propagation and distribution of selected seed stock; and development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources. The Center shall disseminate research results and information for the benefit of this state.

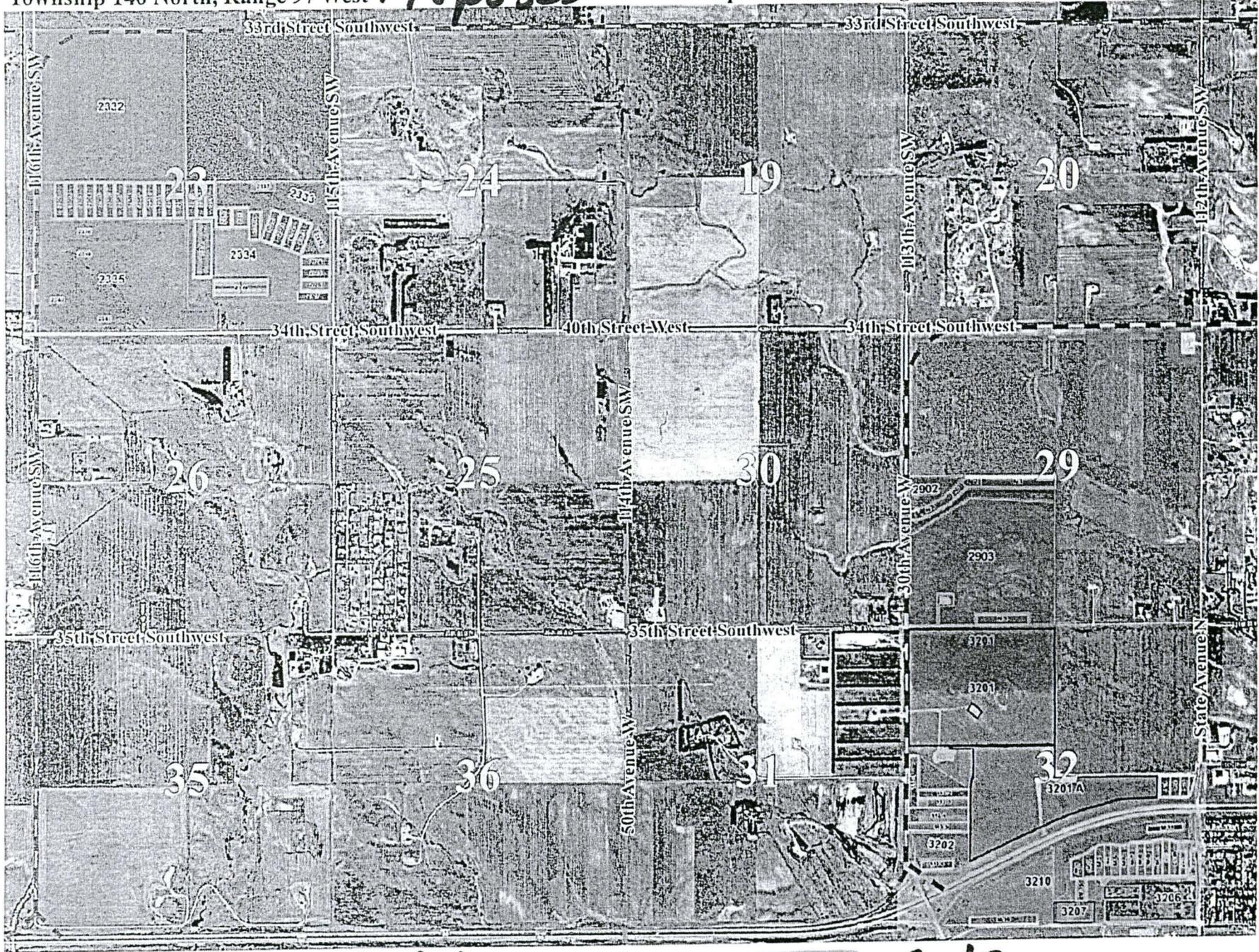
Future Operating Cost Impact

There will be a minor increase in annual operating costs (\$50,000 per year) as a result of the transaction and development of the land in to research property, primarily increased costs for local travel and expenses for general supplies. The additional annual operating costs will be funded through proceeds from the land sale.

Township 140 North, Range 97 West

Proposed

Township 140 North, Range 96 West



DREC - No Sale

DREC - Sale

EXCLUSIVE OPTION TO PURCHASE

Whereas, Chantra Boehm, individually and as Personal Representative of the Estate of Duane J. Boehm, deceased, of 8475 – 40th St. SW, Richardton, ND 58652, hereinafter called Seller, is the owner of the following described property lying and being in the County of Stark, State of North Dakota, to-wit:

Township 139 North, Range 91 West
Section 30: W1/2
Section 31: W1/2

Township 139 North, Range 92 West
Section 25: S1/2
Section 26: SE1/4
Section 36: N1/2; N1/2S1/2; S1/2SE1/4

Whereas, State of North Dakota and the North Dakota Board of Higher Education for the use and benefit of NDSU Dickinson Research Extension Center, hereinafter called the Buyer, desires to have an exclusive option to purchase said property for the purpose of agricultural research.

Whereas, Buyer will be selling a separate property not subject to this agreement in order to finance the purchase of the property described on this agreement. In addition, thereto Buyer needs Legislative approval for the sale of their existing property and the allocation of funds for the purchase of the property subject to this agreement.

Now Therefore, inconsideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Seller hereby gives and grants to Buyer, their successors and assigns the exclusive option to purchase the above described property on the following terms and conditions:

1. **PURCHASE PRICE.** The purchase price for the above described property shall be Two Million Six Hundred and Two Thousand Dollars (\$2,602,000.00).
2. **OPTION TERM.** The term of this option shall extend until January 1, 2016.
3. **OPTION EXERCISE.** Upon the sale of their separate property and upon Legislative approval, Buyer will give written notice to Seller of their intent and right to exercise said option. Once notice is given, a closing date will be agreed upon between the parties but in no event later than January 1, 2016.
4. **PURCHASE PRICE PAYMENT.** Buyer shall pay to Seller the purchase price in Paragraph 1 as set forth above on or before six (6) months from the date the exclusive option is exercised in writing as required in Paragraph 3. The sale is also conditional upon the following requirements.

- (a) The property being purchased is to be used for agricultural research only subject to Legislative approval.
 - (b) The Farm will be named the "Boehm Research Farm" for at least 99 years unless a sale by Legislative authority.
 - (c) The Seller shall furnish up-to-date abstracts of title evidencing good and marketable title to said premises in the Seller, which abstract shall be submitted to the Buyer for Buyers examination and approval and following such examination, said abstracts to be returned to the Seller and held and delivered to the Buyer upon the full payment of the consideration under this Contract.
5. **WARRANTY DEED.** Upon Buyer paying to Seller the purchase price in the amount and manner required herein. Seller shall deliver to Buyer a warranty deed conveying said premises free and clear of all liens and encumbrances, subject to Seller reserving all oil, gas, and other minerals.
6. **ASSIGNMENT.** The rights of Buyer hereunder are not assignable.
7. **BINDING EFFECT.** This exclusive option to purchase shall be binding on Seller and Buyer, their successors, executors and assigns.

Dated this 2nd day of Sept 2014.

SELLER:

Chantra Boehm
Chantra Boehm

STATE OF ND)

COUNTY OF STARK)
SS.

On this 2nd day of Sept, 2014, before me personally appeared Chantra Boehm, individually acting on behalf of _____, known to me to be the person who executed this instrument and acknowledged to me that she executed the same.

[Signature]
Notary Public
My Commission Expires: _____

(SEAL)

MICHAEL J MAUS
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES JULY 5, 2020

STATE OF ND)

COUNTY OF STARK)
SS.

On this 2nd day of Sept, 2014, before me personally appeared Chantra Boehm, Personal Representative of the Estate of Duane J. Boehm, acting on behalf of _____ known to me to be the person who executed this instrument and acknowledged to me that she executed the same.

[Signature]
Notary Public
My Commission Expires: _____

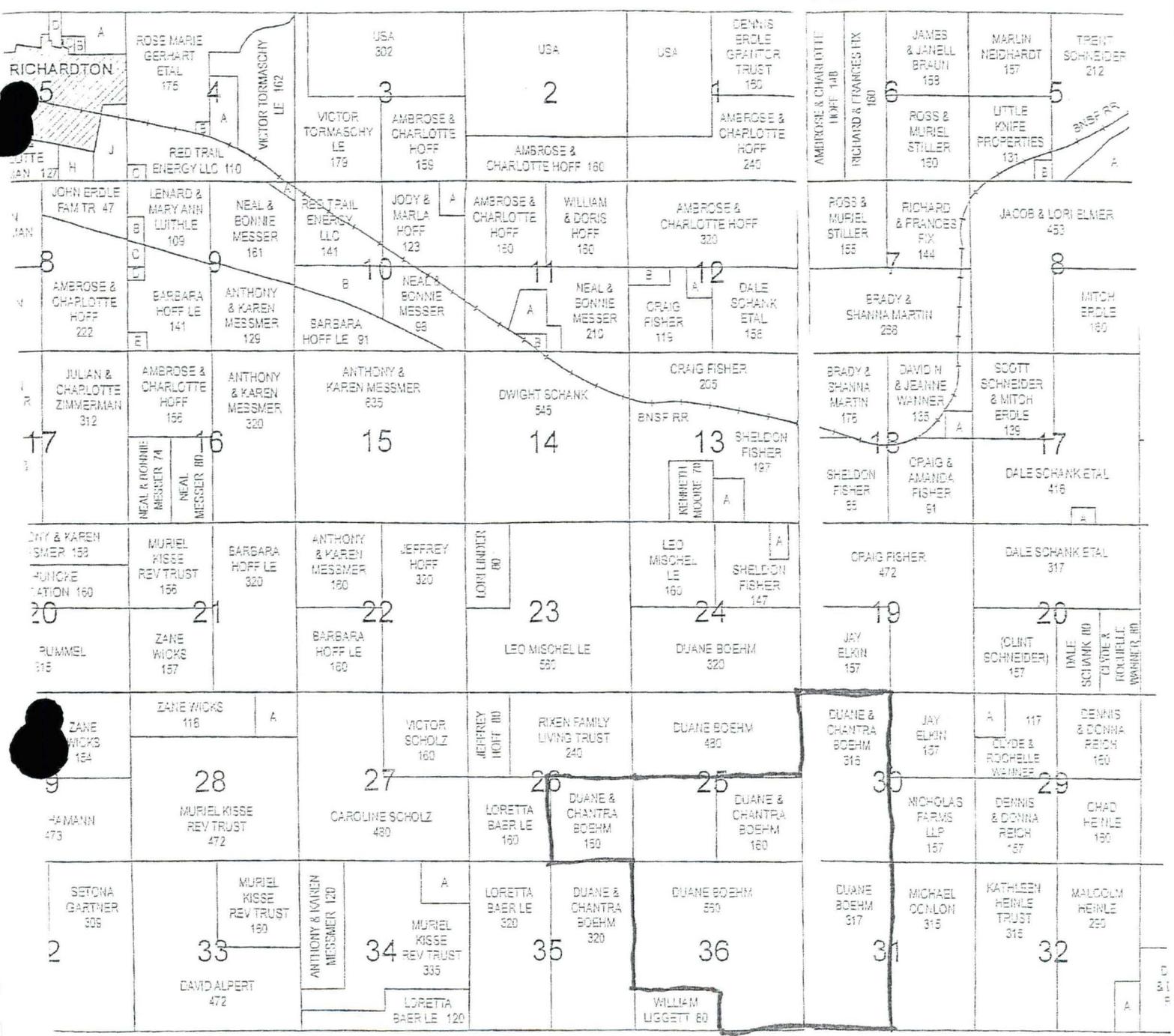
(SEAL)

MICHAEL J MAUS
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES JULY 5, 2020

TWP 139N - R92W PLAT

CODE: AZ

R-92-W T-139-N



SMALL TRACT OWNERS

- | | | |
|--|--|--|
| <p>3 ACRES</p> <p>ACRES</p> <p>5</p> <p>1 - 3 ACRES</p> <p>ES</p> <p>HEALTH CENTER INC</p> <p>ETAL - 7 ACRES</p> <p>21 ACRES</p> <p>MAN - 15 ACRES</p> | <p>9-A RED TRAIL ENERGY LLC - 4 ACRES</p> <p>9-B PHILLIP JR & BETTY MESSER - 4 ACRES</p> <p>9-C GERALD & KOLEEN HOFF - 4 ACRES</p> <p>9-D AMBROSE & CHARLOTTE HOFF - 6 ACRES</p> <p>9-E DONALD & DORIS SONGER - 8 ACRES</p> <p>10-A AMBROSE & CHARLOTTE HOFF - 22 ACRES</p> <p>10-B AMBROSE & CHARLOTTE HOFF - 55 ACRES</p> <p>11-A WILLIAM & DORIS HOFF - 62 ACRES</p> <p>11-B RICHARD & LINDA HAUCK - 8 ACRES</p> <p>12-A AL & DOROTHY FREDERICK - 20 ACRES</p> <p>12-B KEVIN FREDERICK - 17 ACRES</p> <p>13-A GERALD & VALERIE ALUISE - 49 ACRES</p> <p>24-A CARL MARTIN & MONICA STUFGIS - 13 ACRES</p> <p>29-A BARBARA HOFF LE - 40 ACRES</p> <p>34-A BRYAN & TONI VAN ORMAN - 64 ACRES</p> | <p>4-A TRENT SCHNEIDER - 76 ACRES</p> <p>5-A JACOB & LORI ELMER - 61 ACRES</p> <p>6-B JACOB & LORI ELMER - 8 ACRES</p> <p>13-A RICHARD ANHELUK - 5 ACRES</p> <p>17-A ARNIE FRIEDT - 10 ACRES</p> <p>18-A KEN HAAG & JOSEPHINE ULLENDORF - 19 ACRES</p> <p>24-A RICHARD ANHELUK - 40 ACRES</p> <p>24-B LYNN UNDERDAHL - 4 ACRES</p> <p>29-A GERALD & DARLENE FREDERICK - 41 ACRES</p> <p>32-A DENNIS & DONNA REICH - 30 ACRES</p> <p>33-A MALCOLM HEINLE - 27 ACRES</p> <p>36-A FLORENCE KITZAN LE - 40 ACRES</p> |
|--|--|--|

**North Dakota State Board of Higher Education
Budget and Finance Committee
Meeting Notice and Agenda
Tuesday, December 8, 2014**

The State Board of Higher Education Budget and Finance Committee will meet by conference call, on Tuesday, December 8, 2014 at 9:00 CT. The call will originate in the NDUS Office, 10th floor of the State Capitol, 600 E. Boulevard Ave, Bismarck, ND.

Call to Order

1. Approval of [October 17 meeting minutes](#) – Chair Morton
2. Approval [2015 meeting dates](#) – Chair Morton
3. Approve proposed [2015-16 room, board and fee guidelines](#) – Cathy McDonald
4. Review and recommended approval to allocate \$34,143 from 13-15 capital project contingency pool to [DCB for the campus generator](#). – Rick Tonder
5. Review and recommend approval to authorize [NDSU Dickinson Research Center \(DREC\) to enter into an exclusive option to purchase land agreement](#) with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner. – Rick Tonder
6. Review and recommend approval to change authorization for [MiSU football stadium press box](#) from \$4.0 million to \$5.0 million, funded \$4 million from City of Minot and up to \$1 million in MiSU local funds. Further, seek appropriate legislative authorization for the change. – Rick Tonder
7. Review and recommend approval to authorize Williston State College to borrow up to \$300,000 (at 2% annual interest for a five-year term) from the WSC Foundation to partially fund the replacement of [the new boiler plant serving Steven's Hall and the Fieldhouse](#). – Rick Tonder

Contact Terry Meyer (701) 328-2963 or terry.meyer@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.

g:\agendas\sbhe budget and finance committee\2014\12.8.14 meeting\20141208 sbhe budget and finance committee agenda.docx

Summary of Proposed Action SBHE Meeting – November 20, 2014

1. Issue: Sell existing NDSU Dickinson Research Extension Center (DREC) property near Dickinson which is becoming less suitable for research due to its proximity to urban growth. DREC will subsequently buy new property which is more distant from the urban area and therefore, more suitable for continued research operations.

2. Proposed motion: Authorize NDSU DREC to enter into an exclusive option to purchase land agreement with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner.

3. Background: The NDSU DREC conducts land grant research requiring land that is suitable for their research mission. Existing land adjacent to the Dickinson urban area is becoming unsuitable. This transaction allows for the DREC to sell the near-urban land for high values, and obtain better research land at a lower cost, as well as make the needed improvements.

4. Financial implications: The existing 240 acres of DREC land may sell for up to \$9,000,000. The new property will be purchased for approximately \$2,602,000. The difference between purchase price and actual sale proceeds will finance the new site improvements and increased operating costs. Future site improvements are anticipated to cost approximately \$6,000,000 over about a six year period. Improvements are to include construction of storage buildings, an agronomic research facility, livestock work facilities, new fencing, internal roadways, and research plot access points. Annual increased operating costs will be approximately \$50,000. NDSU-DREC will return to the SBHE for additional required authorizations and/or changes in this program, as required per SBHE policy.

5. Academic implications: No implications

6. Legal/policy issues: Sen. Wardner has indicated he will introduce and sponsor the legislation to carry the transaction during the 64th Legislative Assembly, if approved by the SBHE.

7. Review Process: Glatt, Tonder, NDUS Legal

8. Enclosures: 1) 11-14 DREC Land Purchase Map; 2) 11-14 DREC Land Purchase Sale Option

9. Contact person: NDSU VP Bruce Bollinger, bruce.bollinger@ndsu.edu (701) 231-8412

10. Chancellor's Recommendation: Chancellor recommends his approval.

PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of January, 2015, by and between STATE OF NORTH DAKOTA AND THE NORTH DAKOTA BOARD OF HIGHER EDUCATION FOR THE USE AND BENEFIT OF NDSU DICKINSON RESEARCH EXTENSION CENTER, whose post office address is 1041 State Avenue, Dickinson, ND 58601, (hereinafter called Seller) and DICKINSON PUBLIC SCHOOLS, and/or its assigns, whose post office address is 444 - 4th Street West, Dickinson, ND 58601, (hereinafter called Buyer).

WITNESSETH: That the Seller agrees to sell and the Buyer agrees to purchase, upon the terms and conditions hereinafter set forth the following-described real property and all appurtenances, thereunto belonging, owned by the Seller and located in the County of Stark, State of North Dakota, to-wit:

Stark County, North Dakota
Township 140 North - Range 96 West
Section 32: E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$

Seller reserves all oil, gas, and other minerals together with rights of ingress and egress.

The terms and conditions of such sale and purchase are as follows:

The purchase price shall be \$1,350,000.00. The total purchase shall be fully due and payable at the time of closing and possession. At closing Seller will deliver to the Buyer a Limited Warranty Deed to the Property subject to those matters mentioned below.

1. EARNEST MONEY: Buyer will pay no earnest money.
2. ABSTRACT: Seller shall furnish Buyer with a continued abstract. The abstract shall show good and marketable title in the Seller, free and clear of all liens, encumbrances and defects except special assessments not yet certified to the county for collection, easements, restrictive covenants, and mineral grants and reservations of record, if any, (provided such are acceptable to Buyer as permitted encumbrances) building and zoning laws, ordinances and state and federal regulations that would not hinder Buyer's intended use of the Property. Any other liens or encumbrances such as mortgages must be satisfied by the Seller prior to or at closing.
3. TAXES AND SPECIAL ASSESSMENTS: The taxes and installments of special assessments for the year of closing (based upon the amount of taxes and installments of special assessments which are due and payable in the year 2015) shall be prorated to date of closing. Taxes and installments of special assessments which are all due and payable in the year prior to closing all prior years shall have been paid by Seller by date of closing. Taxes

and installments of special assessments for the year following closing and all subsequent years shall be the responsibility of the Buyer. Buyer assumes the balance of specials as of the date of closing not yet certified by the county for collection.

4. ENVIRONMENTAL STRUCTURAL INVESTIGATION, ZONING AND TESTING:

Buyer and Buyer's agents shall have the right to enter upon the Property between the date hereof and through the date of closing, without charge and at all reasonable times, to perform such environmental and physical examinations, investigations, tests and any other inspections as Buyer may reasonably deem appropriate. Buyer shall pay all costs and expenses of such investigation and testing and shall hold Seller harmless from all costs and liabilities arising out of Buyer's activities. If the purchase and sale contemplated by this Purchase Agreement is not closed, Buyer shall repair and restore any damage to the Property caused by Buyer's environmental investigation or testing, at Buyer's expense, and shall return the Property to substantially the same condition as it existed prior to such entry. Seller shall cooperate with Buyer and Buyer's agents in providing access to information necessary to complete any environmental assessment or investigation. Buyer shall conduct their own due diligences such as surveying, zoning ordinances, and easements. Should Buyer not be satisfied with results of the inspections, or the due diligence findings, Buyer may : (a) elect to declare this Agreement null and void; or (b) Buyer may indicate in writing the deficiencies and desired remedies and Seller will within seventy-two (72) hours respond in writing as to Seller's willingness to remedy those deficiencies.

5. WARRANTIES AND REPRESENTATIONS: The Seller warrants and represents to the Buyer as of the date of closing as follows:

- (a) Seller has good and marketable title to the Property free and clear of all liens and encumbrances except easements and covenants of record acceptable to the Buyer.
- (b) Seller represents and warrants that there is access to the Property from a public right-of-way.
- (c) Seller warrants that the Seller has not received any notice from any governmental authority as to violation of law, ordinance, or regulation for condition on the Property that remains uncorrected.
- (d) The Seller has the full right, power and authority to sell, convey and transfer the Property herein and to execute, deliver and carry out the provisions of this Purchase Agreement.
- (e) No litigation is pending or, to Seller's knowledge, proposed, threatened or anticipated with respect to any matter affecting the Property or the operation thereof.
- (f) As of the Closing Date, there shall be no liens, delinquent taxes or delinquent installments of special assessments pertaining to the Property.
- (g) Seller represents that the property is not located in a flood zone.

(h) Buyer acknowledges that the property does not have certain infrastructures in place such as electricity, water, sewer, etc. Buyer assumes and is responsible for any infrastructure costs to bring these items to the property pursuant to the demands of City of Dickinson. Buyer acknowledges that property is presently zoned agricultural. Buyer is responsible for all rezoning costs and expenses.

6. RISK OF LOSS: The risk of loss in this agreement does not apply due to the fact the purchase is raw land and therefore no buildings and/or personal property is included.

7. CLOSING AND POSSESSION: Closing and possession of the Property shall occur on or before June 1, 2015. The date on which closing shall occur, shall be referred to as the "Date of Closing."

8. CLOSING DOCUMENTS. Subject to performance by the Buyer and the Seller of their respective obligations hereunder, at the time and place set for closing, Seller and Buyer shall deliver to each other the following:

- 8.1 Seller in consideration of the agreements of Buyer, sells and agrees to convey to Buyer, with Seller retaining any and all mineral rights, by Limited Warranty Deed accompanied by an abstract, free and clear of all liens and encumbrances, except the following permitted encumbrances:
 - 8.1.1 Building and zoning laws, ordinances, state and federal regulations, provided they do not materially and adversely affect the intended use of the Property;
 - 8.1.2 Utility, drainage, and other easements of record;
 - 8.1.3 The lien of real estate taxes and installments of special assessments which are payable by Buyer pursuant to the terms of this Agreement;
 - 8.1.4 Reservations and restrictions of record ;
 - 8.1.5 Liens or encumbrances of record.
- 8.2 Seller shall deliver funds to pay, or evidence of payment of, all taxes and assessments to be paid by the Seller pursuant to this Agreement;
- 8.3 Buyer shall deliver funds, in cash or some other form acceptable to the Seller, sufficient to satisfy the Buyer's obligations; and
- 8.4 Buyer and Seller shall also sign such other documents required by the closing agent to close this transaction.

9. CLOSING COSTS: Seller shall be responsible for the following closing costs: , abstract continuation, and preparation of Limited Warranty Deed. Buyer shall be responsible for title examination fees and recordation of Limited Warranty Deed to Buyer. Any closing costs not specifically enumerated herein shall be the responsibility of the party ordering such item or contracting therefor. In the event that Buyer or Buyer's lender requires title insurance, the cost thereof (including but not limited to abstract examination, any special endorsements and required surveys) shall be entirely paid by Buyer with the exception of the furnishing of a continued abstract by Seller. Each party shall share equally in the cost of the closing fee payable to the closing agent.

10. CUSTODY OF EARNEST MONEY: NA.

11. ENTIRE AGREEMENT: This agreement constitutes the entire agreement by and between the parties and any other prior representations or agreements are deemed merged herein and those not specified herein do not represent any agreements or promises or covenants or representations on the part of either party hereto.

12. AMENDMENTS, MODIFICATIONS OR WAIVERS: No amendment, modification, or waiver of any condition, provision or term shall be valid or of any effect unless made in writing signed by the party or parties to be bound or a duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not effect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties thereto under and pursuant to this Purchase Agreement.

13. CONSTRUCTION OF AGREEMENT: Whenever the singular number is used herein, the same shall include the plural where appropriate, and the words of any gender shall include any other genders where appropriate. Captions contained herein are inserted only for the purpose of convenient reference, and in no way define, limit or describe the scope of this Purchase Agreement or any part thereof.

14. SEVERABLE PROVISIONS. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

15. BINDING EFFECT: This Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

16. GOVERNING LAW: This Purchase Agreement shall be governed by the laws of the state in which the property is located.

17. COUNTERPARTS: This Purchase Agreement shall be executed in counterparts (duplicate originals) with both Seller and Buyer having a fully executed counterpart.

NORTH DAKOTA STATE UNIVERSITY OF
AGRICULTURE AND APPLIED SCIENCE

Dean L. Bresciani, President

Attest:

Bruce A. Bollinger, Vice President for Finance and
Administration

STATE OF NORTH DAKOTA)
 : ss
COUNTY OF _____)

On this _____ day of January, 2015, before me personally appeared _____,
acting on behalf of North Dakota State University, known to me to be the person who executed this
instrument and acknowledged to me that he executed the same.

(SEAL)

Notary Public
State of North Dakota
My Commission Expires: _____

BUYER:

DICKINSON PUBLIC SCHOOLS

Vince Reep, Assistant Superintendent

STATE OF NORTH DAKOTA)
:
COUNTY OF STARK)

On this ____ day of January, 2015, before me personally appeared Vince Reep, individually acting on behalf of _____ known to me to be the person who executed this instrument and acknowledged to me that he executed the same.

(SEAL)

Notary Public
State of North Dakota
My Commission Expires: _____

Kris Fehr, President Dickinson School Board

STATE OF NORTH DAKOTA)
:
COUNTY OF STARK)

On this ____ day of January, 2015, before me personally appeared Kris Fehr, individually acting on behalf of _____, known to me to be the person who executed this instrument and acknowledged to me that she executed the same.

(SEAL)

Notary Public
State of North Dakota
My Commission Expires: _____

January 21, 2015

Senate Bill 2159

Good morning. Senator Burckhard members of the committee my name is Doug Sullivan and I am the superintendent of the Dickinson Public Schools. I am here today on behalf of the students and school board of the Dickinson Public Schools to request the committee vote in favor of Senate bill 2159. My role today is to provide some recent history of enrollment in the Dickinson Public Schools and the importance of this legislation to the Dickinson Public Schools.

From May 2009 to September 2014 the enrollment in the Dickinson Public Schools has increased by 958 students. As we encountered the increasing enrollment the administration and school board realized it was necessary to provide appropriate facilities for all of the students. The school district was well positioned and has provided additional facilities that address the current and short-term future needs of the K-6 students. Our discussions revealed a significant area of concern is the facility we provide at Hagen Junior High. Hagen Junior High was constructed in 1935 and currently houses 497 students. Discussions about the land needed for a new Middle School were actually initiated with the NDSU Research Center Director Dr. Chris Ringwall shortly after the 2011 legislative session approximately 3 ½ years ago. The following information will help to illuminate the urgency and importance of this legislation to the Dickinson Public Schools.

- We are currently out of space at Hagen Junior High School and 21 class periods of students lose class time by walking across the street to attend class at our 6th grade center.
- With no influx of new students the enrollment at Hagen Junior High is projected to increase by approximately 50 new students in the next two years and will continue to grow in future years.
- Knowing these facts, in 2013 the Dickinson School Board initiated a long-range facility planning process.
- This planning process identified a new Middle School for grades 6-8 as the most immediate need.
- A bond election for the construction of a Middle School was approved in October 2013.

- The plan is to construct and new Middle School for grades 6-8 which will open in the fall of 2017.
- We must begin construction this spring for the facility to open in the fall of 2017.
- The school district currently has no land that can accommodate the new facility.
- During the past 3 ½ years the district has explored 5 possible sites for the new Middle School.

The other 4 sites are either no longer available, too expensive or less desirable than the NDSU property.

- During the process I have described the district has worked with city officials as we explored the various sites. The NDSU property is the most appropriate site and the preferred site by Mayor Dennis Johnson and City Administrator Shawn Kessel. We have been assured by the city officials that the necessary sewer and water infrastructure will be available at the NDSU site.
- At the request of school district KLJ civil engineers have conducted a topographical study of the NDSU property referenced in the legislation in preparation for construction.
- KLJ is also working with the city to have the NDSU property annexed into the city limits. The first step in this process is scheduled for a committee hearing for next Monday January 26.

Chairman Burckhard and members of the committee it is safe to say that passage of this legislation is crucial to the future of the Dickinson Public Schools. The school district has explored all viable options that have been presented in the past 3 ½ years. The NDSU property is the most appropriate site for the new facility. If this legislation is not successful the school district will be in an extremely tenuous position in terms of identifying and acquiring a location for the new facility so we can begin construction this spring and open in the fall of 2017. On behalf of the students and school board of the Dickinson Public Schools I request the committee vote in favor of Senate bill 2159 and send it out of committee with a do pass recommendation. Chairman Burckhard and members of the committee I thank-you for your time in listening to this testimony today.

N

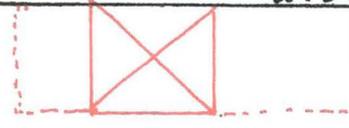
House Approps
SB2159
2/11/15
#1

Land Purchase
Dickinson Public
Schools
and
NDSU Research
Center

New
Police
Fire

By Pass

21st St



rs
Addition

I-94

NDSU
Research
Center

Empire Road (10th St)

New
Hospital

Community
Center

Dickinson
High
School

Sanford
Medical
center

Villard →

-1-

S

House Approps
2/11/15
SB 2159
#2

TALKING POINTS FOR BOEHM RESEARCH FARM PURCHASE *SB 2159*

- Approximately 320 acres of the current Dickinson Research Extension Center (DREC) are located within Dickinson city limits. With an additional 320 acres adjacent to the City of Dickinson and an additional 480 acres approximately 3 miles northwest of Dickinson. These acres have been or will be impacted by pending development.
- The DREC is proposing to sell land that borders 21st Street since the street is scheduled for construction and improvements the summer of 2015. The offering is 240 acres, (160 acres to the north of 21st Street and 80 acres to the south). The DREC revenue estimates are included in the Board of Higher Education request and the ability to provide sale revenue for both the purchase of replacement land and completion of the subsequent improvements is positive.
- The plan is to only sell 240 acres of land with the remainder continuing as DREC headquarters and used for agronomic, range and livestock research. Although developers have expressed interest in the sale of additional acres, the DREC will continue to utilize the remaining acreage.
- Replacement of acreage sold is needed to sustain and enhance the long history of the DREC agricultural research mission and service to agriculture. An Exclusive Option to Buy has been obtained from Chantra Boehm, individually and as Personal Representative of the Estate of Duane J. Boehm, deceased, of Richardton, North Dakota. The farm is southeast of Richardton in Stark County.
- The 'Boehm Research Farm' would consist of 1,680 acres of property with an option price of \$2,602,000. The land value was at the asking of Duane Boehm, prior to his death and reflected recent sales. The price was \$1,400 per acre for a total of \$2,352,000 plus an offset for local tax revenues of \$250,000 for a total price of \$2,602,000.
- The DREC leadership has had numerous discussions with Dickinson city officials, area legislators, government entities and private citizens to discuss potential development and possible use of the DREC land, which is currently within the Dickinson city limits.
- Visioning sessions with the DREC Advisory Board have occurred regularly. The DREC Advisory Board officially voted to support an "exchange" of property so the DREC could continue its legislatively mandated mission.
- The Boehm Research Farm would be used for additional long-term range, agronomic, and beef cattle research and would provide the opportunity for the Dickinson Research Extension Center to conduct larger scale research to evaluate cropping, range and beef cattle systems with cooperation throughout the North Dakota Agricultural Experiment Station.
- The DREC has been very diligent in planning and implementing concepts that reflect the ever changing environments in western North Dakota. The DREC has a long term 'Commitment to Continue'.

*Kris Ringwall
Director
Dickinson Research Extension Center
2/11/15*

NDSU Dickinson Research Extension Center time line for the sale and purchase of land.

September 6-9, 2005 Planning and Visioning session with DREC for a Charette with NDSU Landscape Architecture students and faculty.

November 11-13, 2005 Land use planning Charette by North Dakota State University students studying landscape architecture. Dickinson City and Community presentation of land usage options based on community location and needs

December of 2005 Maka Glu Tecaya ("Renewal of the Earth") visioning process initiated at the Dickinson Research Extension Center.

July 13, 2006 Celebration marking 100 years of service to North Dakota at the Dickinson Research Extension Center.

October 18, 2010 DREC Advisory Board discussion was held about future location and role of the DREC relative to service to agricultural producers in the region and state. No changes were recommended.

December 2011 DREC presentations detailing land use, program development and DREC Mission presentations to multiple NDSU research and extension agencies, community groups, government entities.

November 5, 2012 DREC Advisory Board discussion regarding the Dickinson Research Extension Center will have seven quarters of land impacted by the city limits of Dickinson. No intention expressed to sell the Center. Nor have there been any requests from the general public to sell the Center. Conversations with local government leaders are ongoing during the discernment process.

February 28, 2013 DREC Advisory Board updates regarding current legislative interest in authorization to sell research center land within the North Dakota Agricultural Experiment Station. Williston, Minot and Dickinson centers were all included in the original legislation, however, the DREC requested to be removed from the legislation and the DREC was removed. Discussion will continue. Inclusion would have encouraged premature sale initiatives that would have been disruptive to a long term focus.

May 22, 2013 Meeting with neighbors (Dickinson State University, Dickinson Public School, Dickinson Park Board, CHI St. Joseph's Hospital, Stark Development Corporation) to discuss and establish an atmosphere of collaboration within Dickinson and Stark County relative to land owned and managed by the Dickinson Research Extension Center. Meeting was very successful.

July 13, 2013 Presentation to State Board of Agriculture Research and Education, including a tour of DREC area land holdings and research opportunities. The tour included a detailed guide regarding land usage and research programs offered to citizens of North Dakota

September 10, 2013 Meeting with Governor Dalrymple regarding the impact of oil activities regarding land use and potential for possible research opportunities.

September 27, 2013 Meeting with Senate Majority Leader Rich Wardner in developing an appropriate land use plan with the City of Dickinson, Dickinson State University, Dickinson Public School, Dickinson Park Board, CHI St. Joseph's Hospital and Stark Development Corporation.

September 30, 2013 DREC Advisory Board Executive Committee meeting to advance additional master planning that the DREC needs to do with the four quarters closer to the city of Dickinson. Preliminary concepts regarding the use of the land were proposed. The need to come up with a middle of the road concept that would allow for development and still meet the needs of the DREC, community green space, schools and public development while balanced with private development was expressed.

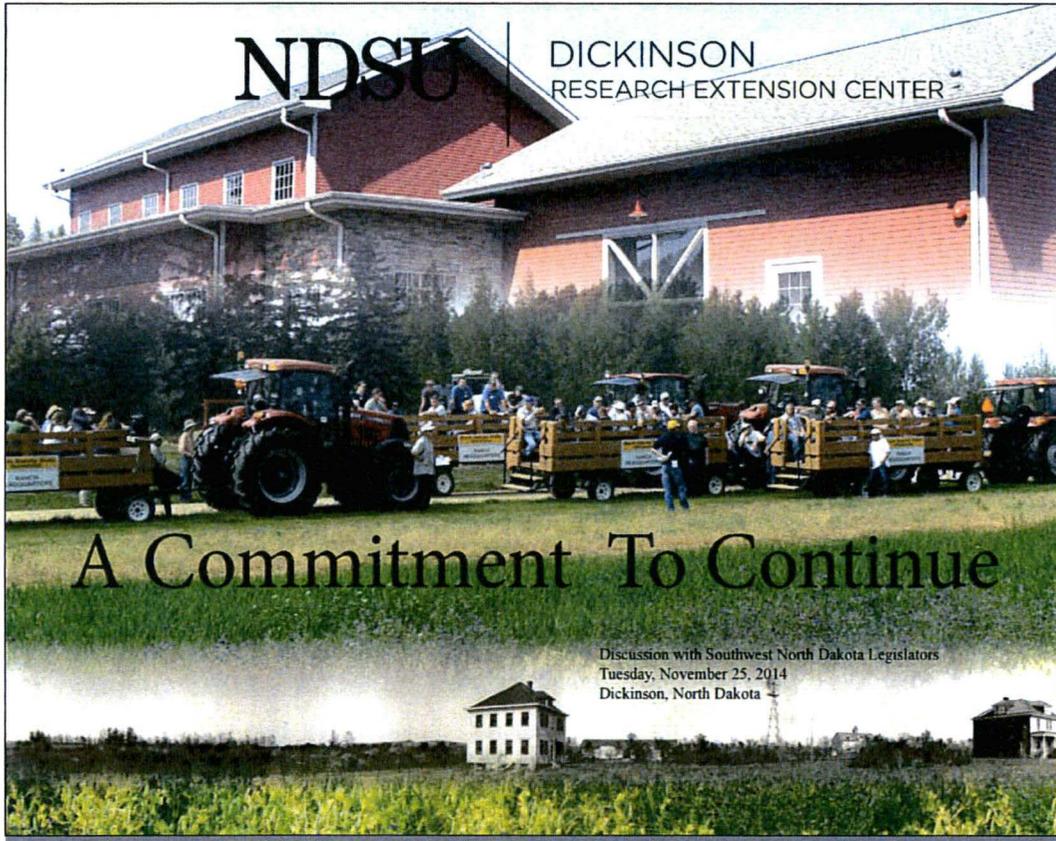
February 17, 2014 DREC Advisory Board was updated on the land that makes up the DREC contiguous to the Center headquarters in the City of Dickinson. The discussion concluded with no plans to open the Center up for sale. No member of the general public has expressed a desire for the Center to sell all or any part of the DREC. In fact, many positive comments have been received indicative of an excellent program with positive feedback about the Center.

June 29, 2014 Death of Duane Boehm, a member of DREC advisory board over the years. Duane expressed a desire prior to his death that the Boehm Farm southeast of Richardton in Stark County be a research farm to improve agricultural production. Chantra Boehm, individually and as Personal Representative of the Estate of Duane J. Boehm, contacted Dickinson Research Extension Center director Dr. Kris Ringwall and, in accordance with Mr. Boehm's wishes, offered to sell the farm to the DREC to be used for agricultural research. An offer to purchase was signed.

October 13, 2014 DREC Advisory Board discussion regarding the pending encroachment of local development on the DREC land base used for agricultural research and potential legislation in the 2015 legislative session to make it possible to sell some of the DREC land. The Boehm farm purchase option was discussed. The farm is 1,680 contiguous acres about six miles southeast of Richardton in Stark County. Current land maybe offered for sale to generate revenue to purchase the Boehm property. Member Connie Bieber made a motion to support the land swap using money from the sale of current acres for the purchase of 1,680 acres of Duane Boehm property southeast of Richardton. Member Pat Frank seconded the motion. The motion passed without dissent.

November 20, 2014 The NDSU Dickinson Research Extension Center requests authorization to enter into an Exclusive Option to Purchase the following property in Stark County, North Dakota from the North Dakota State Board of Higher Education. The purchase of this land will be contingent on Legislative authorization and also the sale of the following DREC property at public auction or private sale of 240 acres of current DREC land

November, 2014 A draft of the bill authorizing the sale of DREC property at public auction or private sale and the acquisition of replacement property is being prepared for Senator Rich Wardner, District 37 to sponsor at the 64th Legislative Assembly.



NDSU

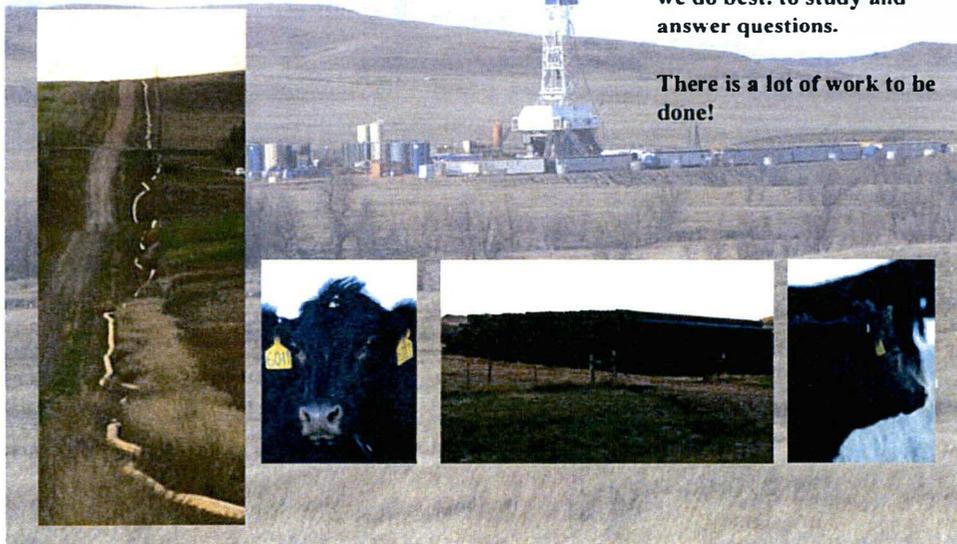
DICKINSON RESEARCH EXTENSION CENTER

2

In the heart of oil development

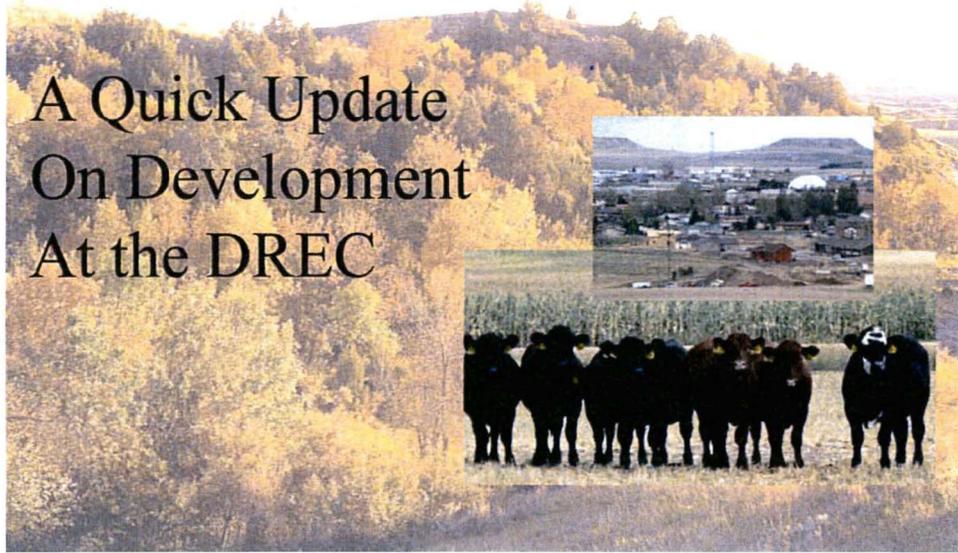
We are poised to what we do best: to study and answer questions.

There is a lot of work to be done!



Welcome to Dickinson

A Quick Update
On Development
At the DREC



We are part of the NDSU team . . .



to create successful outcomes!

Our Mission . . .

. . . at or near Dickinson in Stark County. The Center shall conduct research on

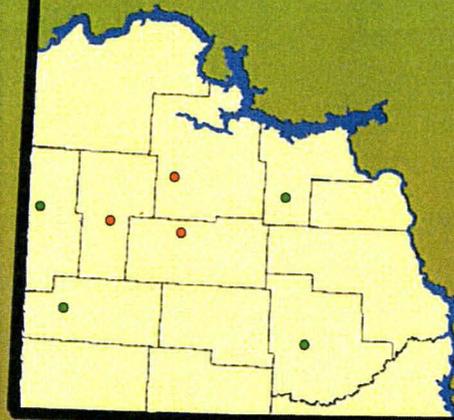


- native rangeland
- beef cattle
- agricultural products of the soil



with emphasis on conservation and preservation for future generations.

Dickinson Research Extension Center 13-county region south and west of the Missouri River.



- 4,916 acres of owned land in 3 counties
- annual land leases in 6 other counties
- serving producers continuously since 1905

○ Counties where DREC owns and/or leases land

● Counties where DREC leases land

Spring 2012



Late Summer 2014



Times Are Changing

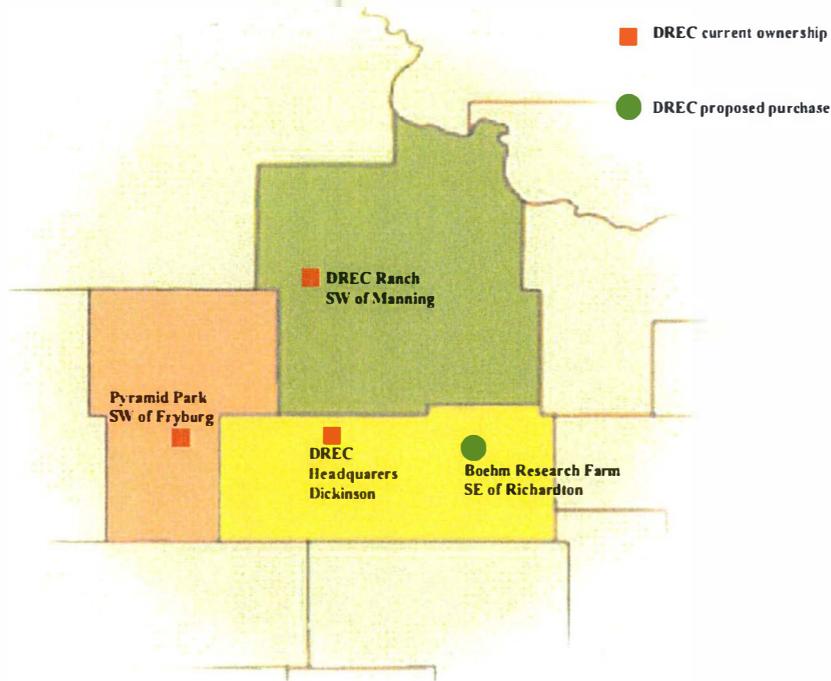
With Dickinson city proper expanding, we need a farm/ranch where the DREC can continue its legislatively mandated mission.

It was a request from the late Duane Boehm, who served on the DREC Advisory Board, that the Boehm Farm be used for agricultural research. The DREC has an option from Chantra Boehm on 1,680 acres. The DREC will be seeking legislative approval to sell some of the Center's land near the headquarters in Dickinson to purchase this property.

**Boehm Research Farm
Southeast of Richardton
In Stark County**

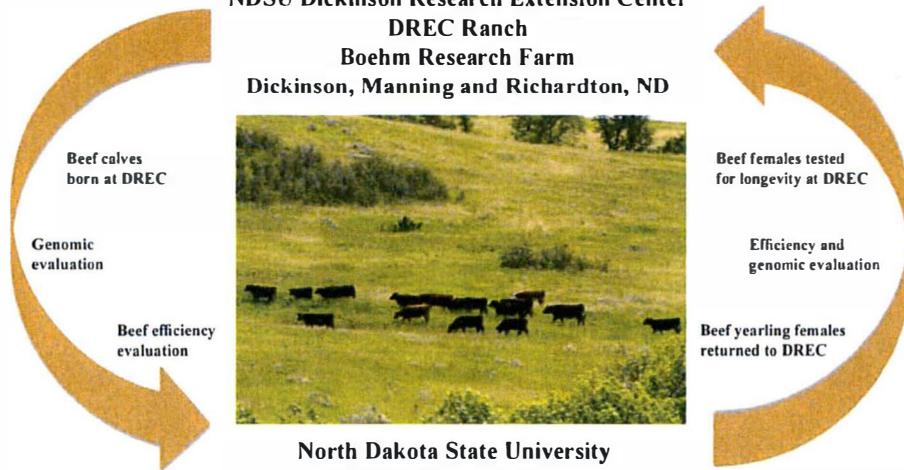


Duane Boehm
May 19, 1948 - June 29, 2014



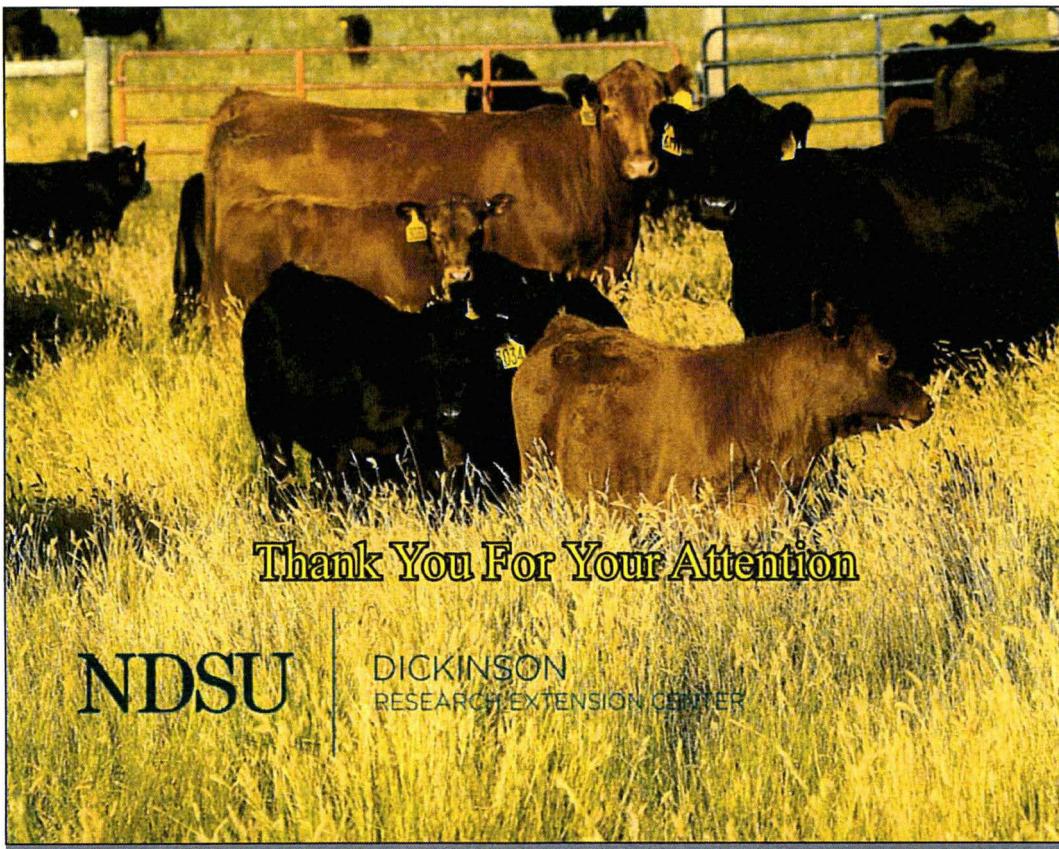
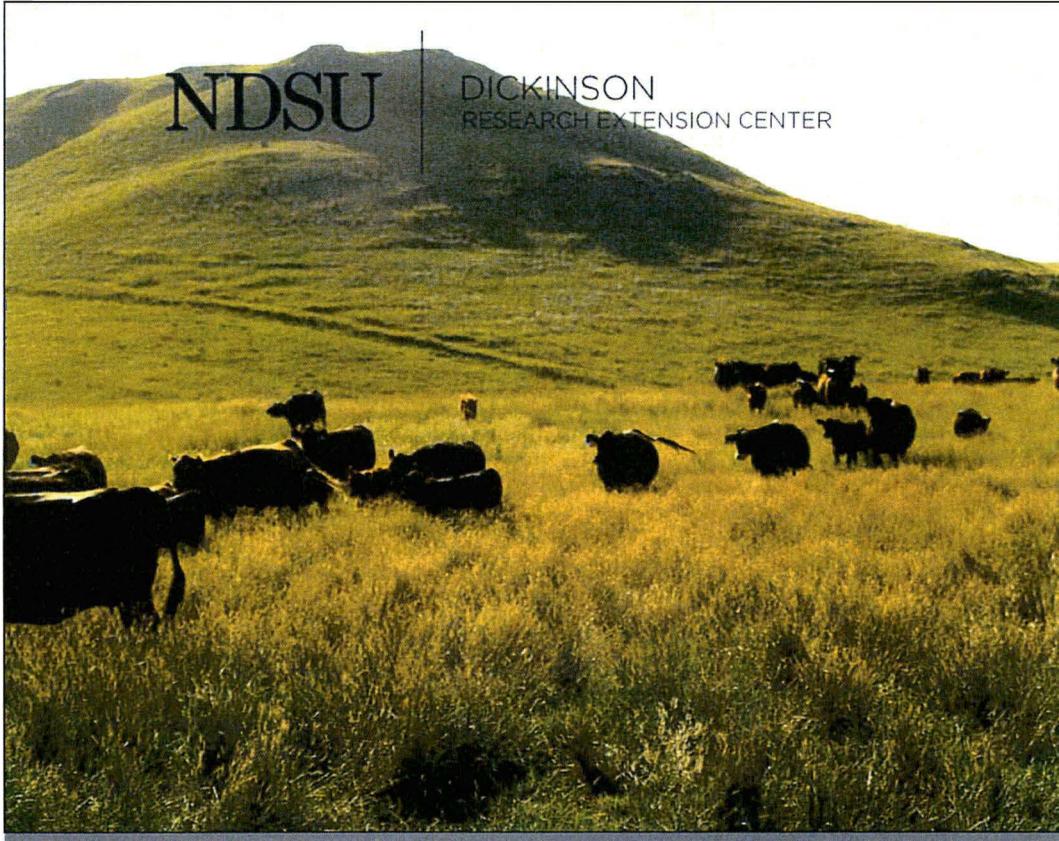
Beef Efficiency and Longevity Genomic Research

NDSU Dickinson Research Extension Center
DREC Ranch
Boehm Research Farm
Dickinson, Manning and Richardton, ND



North Dakota State University
Beef Cattle Research Complex
Lauren Hulsmann Hanna, Kendall Swanson, Robert Maddock
Fargo, ND

Continuing a Commitment to Producer Profitability



North Dakota State University, November 20, 2014

Authorize NDSU Dickinson Research Center (DREC) to enter into an exclusive option to purchase land agreement with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner.

Background

Over the years, the Dickinson Research Extension Center has grown from the original 160 acres to the current 4,916 acres - 3,259 acres are at the ranch unit north of Dickinson where range and beef research is conducted.

Today, the DREC has a unique blend of staff and programs. Research and Extension staff include animal, crop and range scientists. Work at the Center focuses on these areas: agronomy, beef systems, biosecurity, cropping systems, environmental quality, horticulture, rangeland systems and sustainable agriculture.

Due to the rapid growth and expanding urban development of the Dickinson area, existing DREC land that is proximate to the urban area is becoming unsuitable for its research mission. The opportunity to sell the existing property and subsequently purchase the large tracts of new land is imperative to continued successful operation of the DREC. Note that existing DREC administrative operations and facilities will remain in their current location.

Project Description

If approved, The NDSU Dickinson Research Extension Center will enter into an *Exclusive Option to Purchase* for approximately \$2,602,000 the following 1680 acres of property in Stark County, North Dakota:

Township 139 North, Range 91 West

- Section 30: W½
- Section 31: W½

Township 139 North, Range 92 West

- Section 25: S½
- Section 26: SE¼
- Section 36: N½; N½S½; S½SE¼

The property is being offered through the estate of Duane J. Boehm. The family, through the estate, would like to honor Mr. Boehm's wishes regarding the sale of the land to the DREC for the purpose of agricultural research. The purchase of this land will be contingent on Legislative authorization and also the sale of the following DREC property at public auction or private sale:

Sell the 160 acres, more or less, of the southwest quarter, Sec. 29 (T 140N R 96W)

Sell the 80 acres, more or less, of the N ½ of the NW ¼ of Section 32 (T. 140 N., R. 96 W)

Sale of the above 240 acres of DREC property is anticipated to generate revenue sufficient for the purchase of the estate land, complete all improvements which will convert the land from private ownership to a working research property, and pay for future increased operating costs. Improvements include construction of storage buildings, an agronomic research facility, livestock work facilities, new fencing, internal roadways, and research plot access points. The improvements are anticipated to cost approximately \$6,000,000 over about a six year period. The DREC will return to the SBHE for specific authorizations as required for the improvements during that time, including any proposed changes in the budget or expenditures indicated in this request.

Recent land appraisals conducted by RM Hoefs & Associates, Inc., of Fargo at the request of the DREC for the purpose of granting easements have suggested values ranging from \$40,000 to \$45,000 per acre. However, more recent general discussions would imply lower values, although interested larger scale developers may tender an offer which exceeds the

aforementioned appraisal, for a potential gross sale of over \$9,600,000. *The DREC wishes to emphasize this is an estimated return, and included only for the purpose of illustrating the ability to provide revenue for both the purchase of estate land and completion of the subsequent improvements.*

A draft of the bill authorizing the sale of DREC property at public auction or private sale and the acquisition of replacement property is being prepared for introduction and sponsorship by Senator Wardner, District 37, at the 64th Legislative Assembly. If approved, it is anticipated the land sale and acquisitions will be completed by December, 2015 with improvements to the property initiated thereafter.

Consistency with Campus Facility Master Plan and Budget

The three principal responsibilities of a traditional land grant university are: *Teaching, Research and Public Service*. DREC strives to work with southwest North Dakota people to utilize and protect the air, soil and water. Its objectives are to research and report on agricultural methods that are *sensible*, appear *sustainable* and advance *stewardship* for the families of North Dakota. Its goal is to engage in science-based research that achieve *solutions*. The purchase of this land would be consistent with NDSU's land grant responsibilities and would further the Center's mission, objectives and goals in serving the people of North Dakota and those beyond its boundaries.

SBHE and/or Legislative History

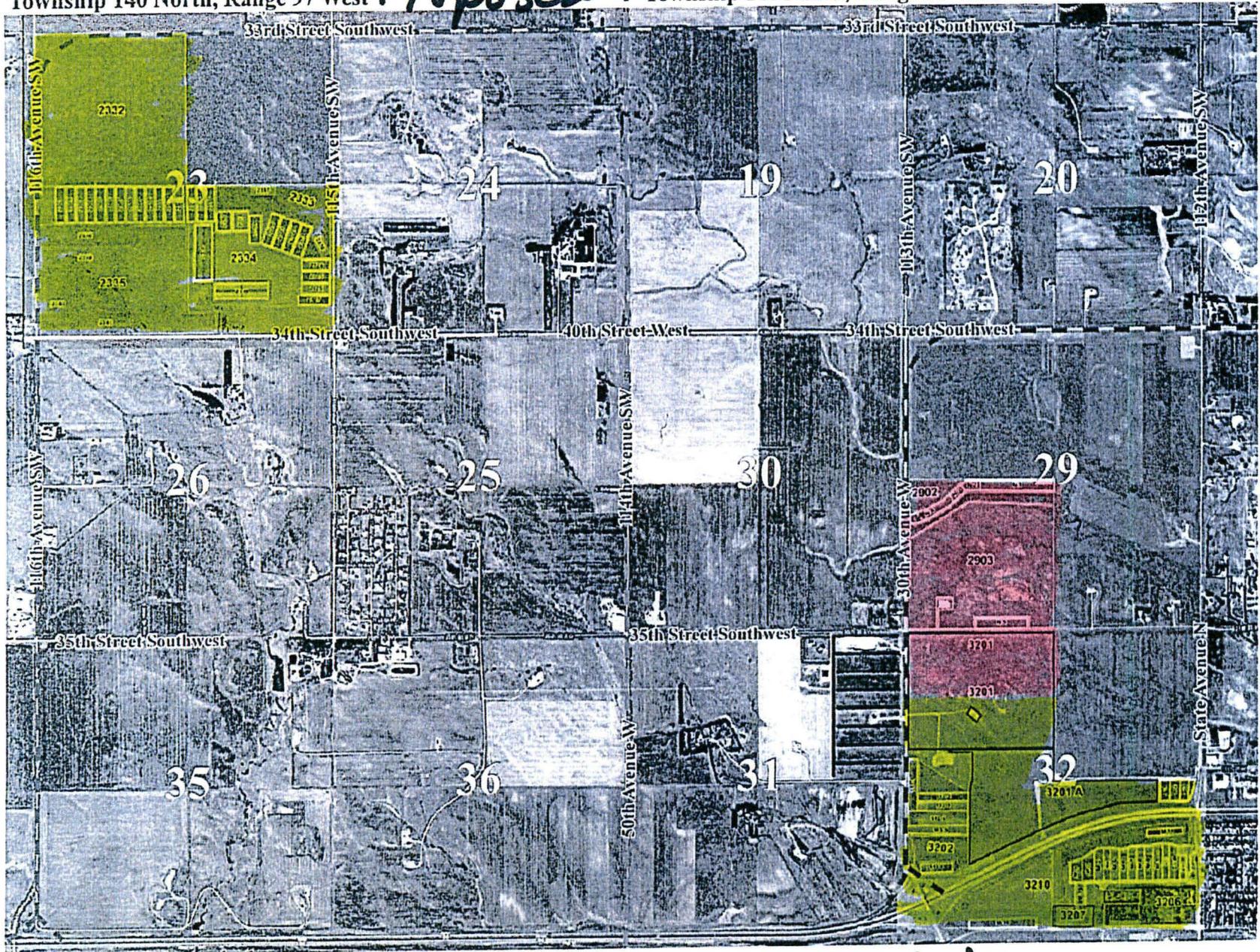
The Dickinson Research Extension Center was established by the 1905 North Dakota Legislature as a research location representative of the Missouri Plateau region. The goal was to develop research on crop production for farmers of the region and to improve native and introduced forage crop production for cattle ranchers. The Dickinson Research Center must be located at or near Dickinson in Stark County. The Center shall conduct research on increasing the carrying capacity of native rangeland, with emphasis on conservation and preservation for future generations. The Center shall conduct research on grass production to determine how to best compensate for the vagaries of the weather as it influences forage production in the dry land agriculture of western North Dakota. The Center shall conduct research at the ranch location in Dunn County with beef cattle breeding, feeding, management and disease control for the benefit of livestock producers of western North Dakota and the entire state. The Center shall conduct research designed to increase productivity of all agricultural products of the soil by maintaining or improving the soil resource base in the dry land agricultural region of southwestern North Dakota by the identification of adapted crop species and superior crop cultivars; propagation and distribution of selected seed stock; and development of profitable cropping systems that achieve the necessary balance between profitability and conservation of all natural resources. The Center shall disseminate research results and information for the benefit of this state.

Future Operating Cost Impact

There will be a minor increase in annual operating costs (\$50,000 per year) as a result of the transaction and development of the land in to research property, primarily increased costs for local travel and expenses for general supplies. The additional annual operating costs will be funded through proceeds from the land sale.

32

Township 140 North, Range 97 West *Proposed* | Township 140 North, Range 96 West



12

DREC - No Sale

DREC - Sale



DICKINSON
RESEARCH EXTENSION CENTER

Date: September 8, 2014
To: Kevin Matheson
NDSU Facilities Coordinator
From: Kris Ringwall, Director
Dickinson Research Extension Center
RE: DREC LAND PURCHASE AND LAND SALE

Attached you will find four signed 'Exclusive Option to Purchase' documents regarding the following described property lying and being in the County of Stark, State of North Dakota, to-wit:

Township 139 North, Range 91 West Township 139 North, Range 92 West
Section 30: W1/2 and Section 25: S1/2
Section 31: W1/2 Section 26: SE1/4
Section 36: N1/2; N1/2S1/2; S1/2SE1/4

I support the land purchase option offered by Chantra Boehm, individually and as Personal Representative of the Estate of Duane J. Boehm, deceased, of 8475 – 40th St. SW, Richardton, ND 58652. Duane passed away June 29, 2014. The family, through the estate of Duane J. Boehm, would like to honor Duane's wishes regarding the sale of the land to the Dickinson Research Extension Center for the purpose of agricultural research.

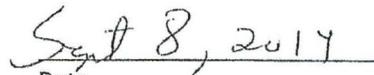
The purchase of this land will require the sale of the following Dickinson Research Extension Center property:

The Dickinson Public School desires to purchase land for a new Junior High School within the north half of the northwest quarter (Sec. 32 T 140N R 96W). Thirty (30) acres will be offered to the Dickinson Public School at \$45,000 per acre. An option to purchase additional acres within 10 years will be offered within the option to purchase. Until purchased the Center would own and have full use of the remaining acres.

In addition, the south half of the southwest quarter (Sec. 29 T 140N R 96W) and additional acres from the north half of the northwest quarter (Sec. 32 T 140N R96W) may be offered for sale to the general public at public auction. These acres would be anticipated to make up the additional money required for the completion of the project plus funds to convert the land from private ownership to a working research property.

I would strongly encourage the execution of the signatures in support of the purchase option and in a timely manner for preparation for the upcoming legislative session.


Kris Ringwall, Director
Dickinson Research Extension Center


Date

North Dakota State University
DICKINSON RESEARCH EXTENSION CENTER
1041 State Ave | Dickinson ND 58601 | 701.456.1100 | Fax 701.456.1199
ndsu.drec@ndsu.edu | www.ag.ndsu.edu/DickinsonREC

NDSU is an EO/AA university.

EXCLUSIVE OPTION TO PURCHASE

Whereas, Chantra Boehm, individually and as Personal Representative of the Estate of Duane J. Boehm, deceased, of 8475 – 40th St. SW, Richardton, ND 58652, hereinafter called Seller, is the owner of the following described property lying and being in the County of Stark, State of North Dakota, to-wit:

Township 139 North, Range 91 West

Section 30: W1/2

Section 31: W1/2

Township 139 North, Range 92 West

Section 25: S1/2

Section 26: SE1/4

Section 36: N1/2; N1/2S1/2; S1/2SE1/4

Whereas, State of North Dakota and the North Dakota Board of Higher Education for the use and benefit of NDSU Dickinson Research Extension Center, hereinafter called the Buyer, desires to have an exclusive option to purchase said property for the purpose of agricultural research.

Whereas, Buyer will be selling a separate property not subject to this agreement in order to finance the purchase of the property described on this agreement. In addition, thereto Buyer needs Legislative approval for the sale of their existing property and the allocation of funds for the purchase of the property subject to this agreement.

Now Therefore, inconsideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Seller hereby gives and grants to Buyer, their successors and assigns the exclusive option to purchase the above described property on the following terms and conditions:

1. **PURCHASE PRICE.** The purchase price for the above described property shall be Two Million Six Hundred and Two Thousand Dollars (\$2,602,000.00).
2. **OPTION TERM.** The term of this option shall extend until January 1, 2016.
3. **OPTION EXERCISE.** Upon the sale of their separate property and upon Legislative approval, Buyer will give written notice to Seller of their intent and right to exercise said option. Once notice is given, a closing date will be agreed upon between the parties but in no event later than January 1, 2016.
4. **PURCHASE PRICE PAYMENT.** Buyer shall pay to Seller the purchase price in Paragraph 1 as set forth above on or before six (6) months from the date the exclusive option is exercised in writing as required in Paragraph 3. The sale is also conditional upon the following requirements.

- (a) The property being purchased is to be used for agricultural research only subject to Legislative approval.
 - (b) The Farm will be named the "Boehm Research Farm" for at least 99 years unless a sale by Legislative authority.
 - (c) The Seller shall furnish up-to-date abstracts of title evidencing good and marketable title to said premises in the Seller, which abstract shall be submitted to the Buyer for Buyers examination and approval and following such examination, said abstracts to be returned to the Seller and held and delivered to the Buyer upon the full payment of the consideration under this Contract.
5. **WARRANTY DEED.** Upon Buyer paying to Seller the purchase price in the amount and manner required herein. Seller shall deliver to Buyer a warranty deed conveying said premises free and clear of all liens and encumbrances, subject to Seller reserving all oil, gas, and other minerals.
6. **ASSIGNMENT.** The rights of Buyer hereunder are not assignable.
7. **BINDING EFFECT.** This exclusive option to purchase shall be binding on Seller and Buyer, their successors, executors and assigns.

Dated this 2nd day of Sept 2014.

BUYER:

Dated this _____ day of _____, 2014, at _____, North Dakota.

STATE OF NORTH DAKOTA
NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION

Jack Dalrymple, Governor

STATE OF NORTH DAKOTA)
 ss.
COUNTY OF _____)

On this _____ day of _____, 2014, before me personally appeared _____,
acting on behalf of the State of North Dakota and the North Dakota State Board of Higher Education, known to me
to be the person who executed this instrument and acknowledged to me that he executed the same.

(SEAL)

Alvin A. Jaeger, Secretary of State

**NORTH DAKOTA STATE UNIVERSITY
OF AGRICULTURE AND APPLIED SCIENCE**

Dean L. Bresciani, President

Attest:

Bruce A. Bollinger, Vice President for Finance and Administration

STATE OF NORTH DAKOTA)
 ss.
COUNTY OF CASS)

On this _____ day of _____, 2014, before me personally appeared _____
acting on behalf of North Dakota State University, known to me to be the person who executed this instrument and
acknowledged to me that he executed the same.

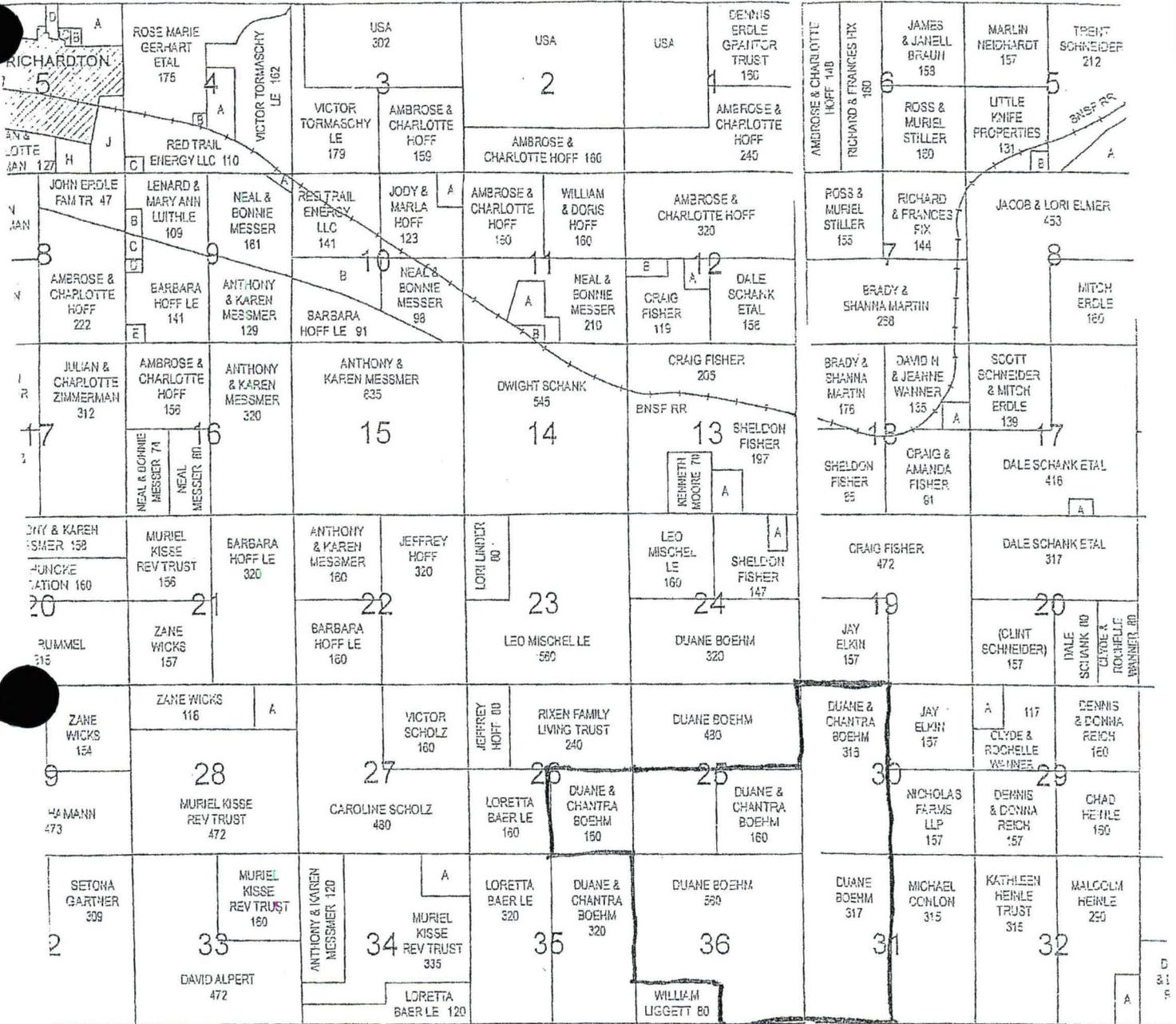
(SEAL)

My Commission Expires: _____ Notary Public

TWP 139N - R92W PLAT

CODE: AZ

R-92-V T-139-N



SMALL TRACT OWNERS

ACRES
ACRES
5
1-3 ACRES
ES
EALTH CENTER INC
ETAL - 7 ACRES
21 ACRES
MAN - 15 ACRES

9-A RED TRAIL ENERGY LLC - 4 ACRES
9-B PHILLIP JR & BETTY MESSER - 4 ACRES
9-C GERALD & KOLEEN HOFF - 4 ACRES
9-D AMBROSE & CHARLOTTE HOFF - 8 ACRES
9-E DONALD & DORIS SONGER - 8 ACRES
10-A AMBROSE & CHARLOTTE HOFF - 22 ACRES
10-B AMBROSE & CHARLOTTE HOFF - 68 ACRES
11-A WILLIAM & DORIS HOFF - 62 ACRES
11-B RICHARD & LINDA HAUCK - 8 ACRES
12-A AL & DOROTHY FREDERICK - 20 ACRES
12-B KEVIN FREDERICK - 17 ACRES
13-A GERALD & VALERIE ALUISE - 49 ACRES
24-A CARL MARTIN & MONICA STUPGIS - 13 ACRES
28-A BARBARA HOFF LE - 40 ACRES
34-A BRYAN & TONI VAN ORMAN - 64 ACRES

4-A TRENT SCHNEIDER - 76 ACRES
5-A JACOB & LORI ELMER - 61 ACRES
5-B JACOB & LORI ELMER - 8 ACRES
13-A RICHARD ANHELUK - 5 ACRES
17-A ARNIE FRIEDT - 10 ACRES
18-A KEN HAAG & JOSEPHINE ULLENDORF - 19 ACRES
24-A RICHARD ANHELUK - 40 ACRES
24-B LYNN UNDERDAHL - 4 ACRES
29-A GERALD & DARLENE FREDERICK - 41 ACRES
32-A DENNIS & DONNA REICH - 30 ACRES
33-A MALCOLM HEINLE - 27 ACRES
38-A FLORENCE KITZAN LE - 49 ACRES



State Capitol – 600 E Boulevard Ave – Dept. 215
Bismarck ND 58505-0230
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**North Dakota State Board of Higher Education
Budget and Finance Committee
Meeting Notice and Agenda
Tuesday, December 8, 2014**

The State Board of Higher Education Budget and Finance Committee will meet by conference call, on Tuesday, December 8, 2014 at 9:00 CT. The call will originate in the NDUS Office, 10th floor of the State Capitol, 600 E. Boulevard Ave, Bismarck, ND.

Call to Order

1. Approval of [October 17 meeting minutes](#) – Chair Morton
2. Approval [2015 meeting dates](#) – Chair Morton
3. Approve proposed [2015-16 room, board and fee guidelines](#) – Cathy McDonald
4. Review and recommended approval to allocate \$34,143 from 13-15 capital project contingency pool to [DCB for the campus generator](#). – Rick Tonder
5. Review and recommend approval to authorize [NDSU Dickinson Research Center \(DREC\) to enter into an exclusive option to purchase land agreement](#) with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner. – Rick Tonder
6. Review and recommend approval to change authorization for [MiSU football stadium press box](#) from \$4.0 million to \$5.0 million, funded \$4 million from City of Minot and up to \$1 million in MiSU local funds. Further, seek appropriate legislative authorization for the change. – Rick Tonder
7. Review and recommend approval to authorize Williston State College to borrow up to \$300,000 (at 2% annual interest for a five-year term) from the WSC Foundation to partially fund the replacement of [the new boiler plant serving Steven’s Hall and the Fieldhouse](#). – Rick Tonder

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Contact Terry Meyer (701) 328-2963 or terry.meyer@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.

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Summary of Proposed Action SBHE Meeting – November 20, 2014

1. Issue: Sell existing NDSU Dickinson Research Extension Center (DREC) property near Dickinson which is becoming less suitable for research due to its proximity to urban growth. DREC will subsequently buy new property which is more distant from the urban area and therefore, more suitable for continued research operations.

2. Proposed motion: Authorize NDSU DREC to enter into an exclusive option to purchase land agreement with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by District 37 Senator Wardner.

3. Background: The NDSU DREC conducts land grant research requiring land that is suitable for their research mission. Existing land adjacent to the Dickinson urban area is becoming unsuitable. This transaction allows for the DREC to sell the near-urban land for high values, and obtain better research land at a lower cost, as well as make the needed improvements.

4. Financial implications: The existing 240 acres of DREC land may sell for up to \$9,000,000. The new property will be purchased for approximately \$2,602,000. The difference between purchase price and actual sale proceeds will finance the new site improvements and increased operating costs. Future site improvements are anticipated to cost approximately \$6,000,000 over about a six year period. Improvements are to include construction of storage buildings, an agronomic research facility, livestock work facilities, new fencing, internal roadways, and research plot access points. Annual increased operating costs will be approximately \$50,000. NDSU-DREC will return to the SBHE for additional required authorizations and/or changes in this program, as required per SBHE policy.

5. Academic implications: No implications

6. Legal/policy issues: Sen. Wardner has indicated he will introduce and sponsor the legislation to carry the transaction during the 64th Legislative Assembly, if approved by the SBHE.

7. Review Process: Glatt, Tonder, NDUS Legal

8. Enclosures: 1) 11-14 DREC Land Purchase Map; 2) 11-14 DREC Land Purchase Sale Option

9. Contact person: NDSU VP Bruce Bollinger, bruce.bollinger@ndsu.edu (701) 231-8412

10. Chancellor's Recommendation: Chancellor recommends his approval.

PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of January, 2015, by and between STATE OF NORTH DAKOTA AND THE NORTH DAKOTA BOARD OF HIGHER EDUCATION FOR THE USE AND BENEFIT OF NDSU DICKINSON RESEARCH EXTENSION CENTER, whose post office address is 1041 State Avenue, Dickinson, ND 58601, (hereinafter called Seller) and DICKINSON PUBLIC SCHOOLS, and/or its assigns, whose post office address is 444 - 4th Street West, Dickinson, ND 58601, (hereinafter called Buyer).

WITNESSETH: That the Seller agrees to sell and the Buyer agrees to purchase, upon the terms and conditions hereinafter set forth the following-described real property and all appurtenances, thereunto belonging, owned by the Seller and located in the County of Stark, State of North Dakota, to-wit:

Stark County, North Dakota
Township 140 North - Range 96 West
Section 32: E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$

Seller reserves all oil, gas, and other minerals together with rights of ingress and egress.

The terms and conditions of such sale and purchase are as follows:

The purchase price shall be \$1,350,000.00. The total purchase shall be fully due and payable at the time of closing and possession. At closing Seller will deliver to the Buyer a Limited Warranty Deed to the Property subject to those matters mentioned below.

1. EARNEST MONEY: Buyer will pay no earnest money.
2. ABSTRACT: Seller shall furnish Buyer with a continued abstract. The abstract shall show good and marketable title in the Seller, free and clear of all liens, encumbrances and defects except special assessments not yet certified to the county for collection, easements, restrictive covenants, and mineral grants and reservations of record, if any, (provided such are acceptable to Buyer as permitted encumbrances) building and zoning laws, ordinances and state and federal regulations that would not hinder Buyer's intended use of the Property. Any other liens or encumbrances such as mortgages must be satisfied by the Seller prior to or at closing.
3. TAXES AND SPECIAL ASSESSMENTS: The taxes and installments of special assessments for the year of closing (based upon the amount of taxes and installments of special assessments which are due and payable in the year 2015) shall be prorated to date of closing. Taxes and installments of special assessments which are all due and payable in the year prior to closing all prior years shall have been paid by Seller by date of closing. Taxes

and installments of special assessments for the year following closing and all subsequent years shall be the responsibility of the Buyer. Buyer assumes the balance of specials as of the date of closing not yet certified by the county for collection.

4. ENVIRONMENTAL STRUCTURAL INVESTIGATION, ZONING AND TESTING:

Buyer and Buyer's agents shall have the right to enter upon the Property between the date hereof and through the date of closing, without charge and at all reasonable times, to perform such environmental and physical examinations, investigations, tests and any other inspections as Buyer may reasonably deem appropriate. Buyer shall pay all costs and expenses of such investigation and testing and shall hold Seller harmless from all costs and liabilities arising out of Buyer's activities. If the purchase and sale contemplated by this Purchase Agreement is not closed, Buyer shall repair and restore any damage to the Property caused by Buyer's environmental investigation or testing, at Buyer's expense, and shall return the Property to substantially the same condition as it existed prior to such entry. Seller shall cooperate with Buyer and Buyer's agents in providing access to information necessary to complete any environmental assessment or investigation. Buyer shall conduct their own due diligences such as surveying, zoning ordinances, and easements. Should Buyer not be satisfied with results of the inspections, or the due diligence findings, Buyer may : (a) elect to declare this Agreement null and void; or (b) Buyer may indicate in writing the deficiencies and desired remedies and Seller will within seventy-two (72) hours respond in writing as to Seller's willingness to remedy those deficiencies.

5. WARRANTIES AND REPRESENTATIONS: The Seller warrants and represents to the Buyer as of the date of closing as follows:

- (a) Seller has good and marketable title to the Property free and clear of all liens and encumbrances except easements and covenants of record acceptable to the Buyer.
- (b) Seller represents and warrants that there is access to the Property from a public right-of-way.
- (c) Seller warrants that the Seller has not received any notice from any governmental authority as to violation of law, ordinance, or regulation for condition on the Property that remains uncorrected.
- (d) The Seller has the full right, power and authority to sell, convey and transfer the Property herein and to execute, deliver and carry out the provisions of this Purchase Agreement.
- (e) No litigation is pending or, to Seller's knowledge, proposed, threatened or anticipated with respect to any matter affecting the Property or the operation thereof.
- (f) As of the Closing Date, there shall be no liens, delinquent taxes or delinquent installments of special assessments pertaining to the Property.
- (g) Seller represents that the property is not located in a flood zone.

(h) Buyer acknowledges that the property does not have certain infrastructures in place such as electricity, water, sewer, etc. Buyer assumes and is responsible for any infrastructure costs to bring these items to the property pursuant to the demands of City of Dickinson. Buyer acknowledges that property is presently zoned agricultural. Buyer is responsible for all rezoning costs and expenses.

6. RISK OF LOSS: The risk of loss in this agreement does not apply due to the fact the purchase is raw land and therefore no buildings and/or personal property is included.

7. CLOSING AND POSSESSION: Closing and possession of the Property shall occur on or before June 1, 2015. The date on which closing shall occur, shall be referred to as the "Date of Closing."

8. CLOSING DOCUMENTS. Subject to performance by the Buyer and the Seller of their respective obligations hereunder, at the time and place set for closing, Seller and Buyer shall deliver to each other the following:

- 8.1 Seller in consideration of the agreements of Buyer, sells and agrees to convey to Buyer, with Seller retaining any and all mineral rights, by Limited Warranty Deed accompanied by an abstract, free and clear of all liens and encumbrances, except the following permitted encumbrances:
 - 8.1.1 Building and zoning laws, ordinances, state and federal regulations, provided they do not materially and adversely affect the intended use of the Property;
 - 8.1.2 Utility, drainage, and other easements of record;
 - 8.1.3 The lien of real estate taxes and installments of special assessments which are payable by Buyer pursuant to the terms of this Agreement;
 - 8.1.4 Reservations and restrictions of record ;
 - 8.1.5 Liens or encumbrances of record.
- 8.2 Seller shall deliver funds to pay, or evidence of payment of, all taxes and assessments to be paid by the Seller pursuant to this Agreement;
- 8.3 Buyer shall deliver funds, in cash or some other form acceptable to the Seller, sufficient to satisfy the Buyer's obligations; and
- 8.4 Buyer and Seller shall also sign such other documents required by the closing agent to close this transaction.

9. CLOSING COSTS: Seller shall be responsible for the following closing costs: , abstract continuation, and preparation of Limited Warranty Deed. Buyer shall be responsible for title examination fees and recordation of Limited Warranty Deed to Buyer. Any closing costs not specifically enumerated herein shall be the responsibility of the party ordering such item or contracting therefor. In the event that Buyer or Buyer's lender requires title insurance, the cost thereof (including but not limited to abstract examination, any special endorsements and required surveys) shall be entirely paid by Buyer with the exception of the furnishing of a continued abstract by Seller. Each party shall share equally in the cost of the closing fee payable to the closing agent.

10. CUSTODY OF EARNEST MONEY: NA.

11. ENTIRE AGREEMENT: This agreement constitutes the entire agreement by and between the parties and any other prior representations or agreements are deemed merged herein and those not specified herein do not represent any agreements or promises or covenants or representations on the part of either party hereto.

12. AMENDMENTS, MODIFICATIONS OR WAIVERS: No amendment, modification, or waiver of any condition, provision or term shall be valid or of any effect unless made in writing signed by the party or parties to be bound or a duly authorized representative and specifying with particularity the extent and nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not effect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties thereto under and pursuant to this Purchase Agreement.

13. CONSTRUCTION OF AGREEMENT: Whenever the singular number is used herein, the same shall include the plural where appropriate, and the words of any gender shall include any other genders where appropriate. Captions contained herein are inserted only for the purpose of convenient reference, and in no way define, limit or describe the scope of this Purchase Agreement or any part thereof.

14. SEVERABLE PROVISIONS. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

15. BINDING EFFECT: This Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

16. GOVERNING LAW: This Purchase Agreement shall be governed by the laws of the state in which the property is located.

17. COUNTERPARTS: This Purchase Agreement shall be executed in counterparts (duplicate originals) with both Seller and Buyer having a fully executed counterpart.

NORTH DAKOTA STATE UNIVERSITY OF
AGRICULTURE AND APPLIED SCIENCE

Dean L. Bresciani, President

Attest:

Bruce A. Bollinger, Vice President for Finance and
Administration

STATE OF NORTH DAKOTA)
 : ss
COUNTY OF _____)

On this _____ day of January, 2015, before me personally appeared _____,
acting on behalf of North Dakota State University, known to me to be the person who executed this
instrument and acknowledged to me that he executed the same.

(SEAL)

Notary Public
State of North Dakota
My Commission Expires: _____

BUYER:

DICKINSON PUBLIC SCHOOLS

Vince Reep

Vince Reep, Assistant Superintendent

STATE OF NORTH DAKOTA)
 :
COUNTY OF STARK)

On this 30th day of January, 2015, before me personally appeared Vince Reep, individually acting on behalf of Dickinson Public Schools known to me to be the person who executed this instrument and acknowledged to me that he executed the same.

(SEAL) TWILA PETERSEN
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES FEB 15, 2018

Twila Petersen

Notary Public Twila Petersen
State of North Dakota
My Commission Expires: February 15, 2018

Kris Fehr

Kris Fehr, President Dickinson School Board

STATE OF NORTH DAKOTA)
 :
COUNTY OF STARK)

On this 30th day of January, 2015, before me personally appeared Kris Fehr, individually acting on behalf of Dickinson Public Schools known to me to be the person who executed this instrument and acknowledged to me that she executed the same.

(SEAL) TWILA PETERSEN
NOTARY PUBLIC, STATE OF NORTH DAKOTA
MY COMMISSION EXPIRES FEB 15, 2018

Twila Petersen

Notary Public Twila Petersen
State of North Dakota
My Commission Expires: February 15, 2018

House Appropriations
SB 2159
2/11/15
#3

Douglas W. Sullivan, Ed.D.,
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February 11, 2015

Senate Bill 2159

Good morning. Representative Delzer members of the House Appropriations Committee my name is Doug Sullivan and I am the superintendent of the Dickinson Public Schools. I am here today on behalf of the students and school board of the Dickinson Public Schools to request the committee vote in favor of Senate Bill 2159. My role today is to provide some recent history of enrollment in the Dickinson Public Schools and the importance of this legislation to the Dickinson Public Schools.

From May 2009 to September 2014 the enrollment in the Dickinson Public Schools has increased by 958 students. As we encountered the increasing enrollment the administration and school board realized it was necessary to provide appropriate facilities for all of the students. The school district was well positioned and has provided additional facilities that address the current and short-term future needs of the K-6 students. Our discussions revealed a significant area of concern is the facility we provide at Hagen Junior High. Hagen Junior High was constructed in 1935 and currently houses 497 students. Discussions about the land needed for a new middle school were actually initiated with the NDSU Research Center Director Dr. Kris Ringwall shortly after the 2011 legislative session approximately 3 ½ years ago. The following information will help to illuminate the urgency and importance of this legislation to the Dickinson Public Schools.

- We are currently out of space at Hagen Junior High School and 21 class periods of students lose class time by walking across the street to attend class at our 6th grade center.
- With no influx of new students the enrollment at Hagen Junior High is projected to increase by approximately 50 new students in the next two years and will continue to grow in future years.
- Knowing these facts, in 2013 the Dickinson School Board initiated a long-range facility planning process.

- This planning process identified a new Middle School for grades 6-8 as the most immediate need.
- A bond election for the construction of a middle school was approved in October 2014.
- The plan is to construct and new middle school for grades 6-8 which will open in the fall of 2017.
- We must begin construction this spring for the facility to open in the fall of 2017.
- The school district currently has no land that can accommodate the new facility.
- During the past 3 ½ years the district has explored 5 possible sites for the new middle school. The other four sites are either no longer available, too expensive or less desirable than the NDSU property.
- During the process I have described the district has worked with city officials as we explored the various sites. The NDSU property is the most appropriate site and the preferred site by Mayor Dennis Johnson and City Administrator Shawn Kessel. We have been assured by the city officials that the necessary sewer and water infrastructure will be available at the NDSU site.
- At the request of school district KLJ civil engineers have conducted a topographical study of the NDSU property referenced in the legislation in preparation for construction.
- KLJ is also working with the city to have the NDSU property annexed into the city limits. The first step in this process is scheduled for a committee hearing for next Monday January 26.

Chairman Delzer and members of the committee it is safe to say that passage of this legislation is crucial to the future of the Dickinson Public Schools. The school district has explored all viable options that have been presented in the past 3 ½ years. The NDSU property is the most appropriate site for the new facility. If this legislation is not successful the school district will be in an extremely tenuous position in terms of identifying and acquiring a location for the new facility so we can begin construction this spring and open in the fall of 2017. On behalf of the students and school board of the Dickinson Public Schools I request the committee vote in favor of Senate Bill 2159 and send it out of committee with a do pass recommendation. Chairman Delzer and members of the committee, I thank you for your time in listening to this testimony today.

2