

FISCAL NOTE
Requested by Legislative Council
01/27/2015

Amendment to: SB 2358

- 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						
Expenditures						
Appropriations						

- 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).*

SB2358 authorizes the Department to convey land associated with the Life Skills and Transition Center in Walsh 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.*

SB2358 has no fiscal impact. At this time the Department has no current plans to convey property associated with the Life Skills and Transition Center.

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.*

- 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.*

- 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.*

Name: Paul R Kramer

Agency: Human Services

Telephone: 328-4608

Date Prepared: 01/29/2015

FISCAL NOTE
Requested by Legislative Council
01/27/2015

Bill/Resolution No.: SB 2358

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Name: Paul R Kramer

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Date Prepared: 01/29/2015

2015 SENATE HUMAN SERVICES

SB 2358

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2358
2/4/2015
23167

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill to authorize the Department of Human Services to convey land in Walsh County.

Minutes:

Attach #1: Testimony by Dawn Keeley
Attach #2: Testimony by Julie Campbell

Senator Tom Campbell introduced SB 2358 to the Senate Human Services Committee. Senator Campbell read from the attached testimonies **Julie Campbell** (attach #2) and **Dawn Keeley** (attach #1). (Oral testimony ends 6:30)

Senator Howard Anderson, Jr. noticed that in the bill it doesn't say budget section gets to approve, but just has to report to the budget section. Should it approve?

Chairman Judy Lee stated that in first version, there was budget section.

Senator Campbell agrees, stated it should be report and subject to approval.

Senator Dever asked are we looking at transferring the property to city of Grafton and then they transfer to private ownership.

Senator Campbell indicated there are several different ways, never know until we get into the project. It depends on where we get federal or state funds.

Chairman Judy Lee does it have to pass through Grafton?

Senator Campbell it doesn't have to.

Senator Dever talked about transferring land that includes the extension service in Bismarck. That had been purchased some years previous to that by Burleigh County from the state at full market value. The state also stipulated that the land be used for fairground. So his bill was to remove the stipulation. That was government to government. This is government to private. There was some conversation on land in Jamestown, and that was conveyed at full market value. If intent is to convey at less than full market value to private enterprise, we need to know how to justify that. Is there an assessment of the value of land since it is owned by people of North Dakota.

Senator Campbell having an appraiser or assessor come in would be a challenge. These buildings, the 2 we are looking at, one will be torn down, we would save \$200,000 of state money to tear it down. The cost is about the same as building new, or maybe a little more. It would be challenging to get appraiser to come in since it is on institution, where traditionally true private sector wouldn't be coming in and doing this, it is a non-profit. If need be, we could do that as well. It would be another step.

Chairman Judy Lee stated similar to appraising churches.

Senator Howard Anderson, Jr. agrees with Senator Dever. They have done two during his tenure. One was the extension center in Minot, and just did one in Political Sub-Committee for one located near Dickinson, and both were at appraised value. No matter whom it is transferred to should be appraised value.

Chairman Judy Lee apartment buildings in Grafton, are they on leased land? Is there a fee ownership?

Senator Campbell stated they were a 99 year lease, but not positive.

Chairman Judy Lee asked you would be looking at a comparable agreement because she can't imagine the land would have been sold. **Senator Campbell** confirmed.

Chairman Judy Lee asked if he would be looking at a comparable arrangement for the buildings here so the campus would still be intact but the building might be something in which the developer might work. **Senator Campbell** confirmed.

Chairman Judy Lee stated the examples that Senator Howard Anderson, Jr. was all legislatively approved. There is some angst if no legislative approval. Certainly appropriate for budget approval, but there probably will not have much buy in to the idea, it would likely be the department and the attorney general.

Senator Warner commented we respect the integrity of the envelope of the institution and not creating security issues within the institution.

Chairman Judy Lee questioned rather than piece mailing it, she understand the buildings being torn down, but piece mail development of the property change the whole ability to look at other uses for this state own property. For example, we are struggling with women's prison, also Jamestown space issues. All of that goes together. We have a state campus who can serve people that is seriously under-utilized. If we do too much of the small projects, does that limit what other kinds of site planning might be done and how do we decide what we should use that facility for.

Senator Campbell indicated open to anything, and the space is under-utilized. There used to be 2,500 to 3,000 patients there before de-institutionalized.

Senator Howard Anderson, Jr. sense is that he isn't opposed to this bill, but would feel comfortable if there was a study and that we don't need it for other uses in the state, and a

certain portion is available. Study to look at alternative uses for the state, but don't want it just sitting there not being used.

Chairman Judy Lee interim committee recommendation about a study of the site in Jamestown was previously killed.

V. Chairman Oley Larsen stated in last session, was there some land given to the city of Grafton with the park.

Mr. Campbell yes, the parks and recreation purchased 70+ acres for expansion of park. It worked very well, either 2 or 4 years ago.

Chairman Judy Lee stated it is a very nice park, and transitional center wraps around.

OPPOSITION TO SB 2358

No opposing testimony

NEUTRAL TO SB 2358

Alex Schweitzer, Superintendent of Life Skills and Transition Center, Department of Human Services, testified neutral for SB 2358. Administration staff has worked with local entities for uses of the campus. Housing has been a good project on the campus. They mix with the groups, don't want to isolate our community but want to integrate with the local community. There is 67,000 square feet that is empty on campus. A need to do something with those state assets. If they meld with the life skills and transition center mission, this is good.

Chairman Judy Lee recalled that the two apartments are on east end of campus. Is there a particular structure that you are looking at, what buildings might you be looking at, center of campus or perimeter?

Mr. Schweitzer stated the two apartments are on north side of campus. Right next door on the northwest side of campus is the other building, all on the perimeter. If they would have converted one of the buildings, they would move some tenants to the middle of the campus.

Chairman Judy Lee asked about the number of residents there receiving services and the goal.

Mr. Schweitzer provided the numbers. There are 63 adults, goal of less than 65. There are 19 adolescents. The goal is to be at 45 at the end of next biennium for adults and 8 to 12 kids. Youth transition program goal is to transition into community setting, short term stay. In the year 2000, they had 150 adults.

Chairman Judy Lee indicated the counts used to have 1,000. When we talk about closing colleges, there is a cry about the impact in communities. By bringing it down from the place it was and emptying the place out, it has had a detrimental effect on Grafton. The city used to have 10,000 people and today no longer has 5,000. It is important to that community,

financially and employment. The community of Grafton is very involved with the residents who live there, community wide events that are engaged.

Senator Howard Anderson, Jr. has the Department of Human Services evaluated all the space with long term planning how to use the space and have you communicated with facilities management and corrections?

Mr. Schweitzer indicated they have studied the facilities. They have not discussed with corrections. They have communicated with the community.

Senator Dever if we were to move state hospital, would we be having the same conversations with Jamestown.

Mr. Schweitzer answered yes, both are important to their communities.

Senator Dever it is an important to Grafton and Jamestown. How do communities that are not blessed to have those things feel if we transfer property at less than market value?

Mr. Schweitzer stated the property at state hospital was sold at market value for the industrial park in Jamestown.

Chairman Judy Lee the only one that she could recall that was not sold at market value was in Dunseith/Bottineau. One was given to the city for \$1.00. McVille was the other one.

Mr. Schweitzer talked about the buildings that had been in bad shape, developer incurred costs, but reason was the condition so not fair market value.

Senator Howard Anderson, Jr. could you bring a map of property and if Department of Human Services has already delineated as other uses, it would be helpful when they carry the bill.

Mr. Schweitzer will provide map. Will outline the space we are talking about, the empty and occupied buildings.

Closed Public Hearing.

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2358
2/9/2015
23477

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill to authorize the Department of Human Services to convey land in Walsh County.

Minutes:

Attach #1: Map of Life Skills and Transition Center in Grafton, ND

Chairman Judy Lee distributed a map of the Life Skills and Transition Center in Grafton, North Dakota, received from the Department of Human Services. (attach #1)

Chairman Judy Lee stated she was going to ask Senator Sorvaag about the site review proposal for the interim committee that we earlier defeated (state hospital). Part of our discussion was whether or not we want to do that may have any impact on the future use of the campus. Mr. Schweitzer indicated that he didn't see any issue. We had success with the other two building project, and this is also on the perimeter. But we don't want to become obstructionist for how the campus could be used.

Maggie Anderson (DHS) no concerns because it is permissive language and not directive language. We can bring information forward.

Senator Howard Anderson, Jr. indicated that we wanted to amend for full market value and budget approval.

Chairman Judy Lee confirmed.

Senator Howard Anderson, Jr. moved DO ADOPT AMENDMENT for budget approval and also full market value. Why is attorney general in there? He approves terms and conditions?

Maggie Anderson (DHS) doesn't see it as an obstruction. We do receive outside consult from attorney general, but possibly because it is selling state land.

Senator Howard Anderson, Jr. it makes sense that the original purpose of these things declined as the population declined. We should have some property there that could be used as a beneficial purpose.

Chairman Judy Lee stated that we also have big needs for substance abuse and share-house space. This may not be the right place for those services, but it might be worth looking at for other purposes. Other projects have been very successful up there.

The motion made by **Senator Howard Anderson, Jr.** was seconded by **V. Chairman Oley Larsen**. No further discussion.

Roll Call Vote to Amend

6 Yes, 0 No, 0 Absent. Motion passes.

Senator Warner moved that the Senate Human Services Committee DO PASS to SB 2358 AS AMENDED. The motion was by **Senator Axness**.

Roll Call Vote to DO PASS AS AMENDED

6 Yes, 0 No, 0 Absent. Motion passes.

Senator Warner will carry SB 2358 to the floor.

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2358
2/9/2015
23515

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill to authorize the Department of Human Services to convey land in Walsh County.

Minutes:

No attachments

Chairman Judy Lee reviewed our actions this morning for Senator Campbell. We amended SB 2358 for full-market-value and approval by the budget committee. We want to give some attention to Senator Dever regarding some concerns about specific buildings.

Senator Tom Campbell stated the committee's actions does not give us the flexibility. There are two other buildings that are vacant. The two "green" buildings to the right could also be converted. By identifying one building may not solve our problem, as there are other buildings to be considered. Same with the heating unit that could be bought and sold. A big brick building not occupied for 20+ years, doing feasibility to see if it could be turned into a green house. There are so many unknown variables for the campus.

Senator Howard Anderson, Jr. one of the other things Senator Dever brought up was conveyance of land for a volunteer fire department in another senate committee. Should we address that in his bill or our bill?

Senator Campbell doesn't care for that either. We have precedence for different times we bought property; two different instances where 99 year leases for \$1.00. and two other instances for \$100/acre. This property for the most part is of no value, we want it to be developed for value. To have it at fair market value means you have to get appraisal, you have to have an auction. There is always a chance that someone may want to come in and want the land.

Chairman Judy Lee asked if selling or leasing. Are you talking about selling it to the fire department?

Senator Campbell answered yes. Leasing some agencies ask for different funds. They couldn't finish that project because they didn't have enough funds, wasn't owned. The one

federal agency stopped it because they didn't own the land. We would like option to go in off session and to be able to own it for \$1.00 or \$100/acre.

Senator Howard Anderson, Jr. no matter where state's property is located, the rest of the state is not well served if transferred at less than full market value. If it is worth nothing, it will come out at that.

Senator Warner we all wear many hats in the room. We have fiduciary responsibility in this room. Lease at fair market value is well taken.

Chairman Judy Lee option of tearing it down, the value would be fixed up to what it will take to do. But her concern is when looking at another place for the best use of state hospital campus and corrections, to enable good things to happen, the concern is the internal buildings, we could stifle it or enable it. The greenhouse is in the middle of the campus.

Senator Campbell comment to Senator Warner and Senator Howard Anderson, Jr., 2 buildings built on the perimeter; they saved the state money from demolition costs. Most of these buildings are old, need to be heated, so third party converting is saving the state.

Senator Howard Anderson, Jr. appraisal should reflect that. If that is wrong, then Senator Campbell needs to come to legislature with specific proposal for fixed cost and show how you are saving that money rather than carte blanche approval.

Chairman Judy Lee reason for Senator Campbell being here now is so they can act in the off session.

Senator Campbell issue of lease versus own. There are so many unknown variables, so we are looking for option to have. The Department of Human Services and budget section does have that review, that ability to say we don't want to do this because of a master plan. 25% of the buildings are old, empty, two of them need to be torn down. When you have jurisdiction to oversee it, that still provides the oversight but gives them the flexibility.

Chairman Judy Lee asked for clarification regarding the lease. She thought the 99% lease was on the land. Are the buildings also included in the 99% leases?

Senator Campbell for the firemen, 99 year lease for \$1. The 77 acres that were purchased for a park were \$100.00 per acre. He is unsure of the agreement for the apartments.

Chairman Judy Lee it's not unusual to have leased land situation. But it is more unusual to have lease on the building.

Senator Campbell assumed it was both building and land, but unsure.

Senator Warner think what we are doing here is a very narrowly defined window of opportunity within an interim. It's not an overall policy. If the Department of Human Services wanted to come in during a regular legislative session recommend the sale for

\$1.00 or any other amount, there is nothing in here that prevents from doing that. This is emergency powers during an interim. He would like the bill not reconsidered.

V. Chairman Oley Larsen for clarification - this property will be appraised and they will get the full market value. Senator Campbell wants it for \$1.00 or \$100/acre, but committee says different - that it needs to be appraised. If it's going to cost them, they may not waste their time with it.

Chairman Judy Lee did state some of the buildings are in bad shape. Does the Department of Human Services have any concerns about the option to which it may present itself - tying up any space in the middle of the campus that could impact a larger project.

Julie Schwab, Department of Human Services, has not heard anything.

V. Chairman Oley Larsen feeling from Senator Campbell is that they have big plans and what we just did stifled him.

V. Chairman Oley Larsen moved to Reconsider SB 2358. The motion was seconded by **Senator Dever**.

Roll Call Vote to Reconsider

3 Yes, 3 No, 0 Absent. Motion fails.

February 10, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2358

Page 1, line 8, after "property" insert "at full market value"

Page 1, line 12, after the first "conveyance" insert ", and the department shall obtain budget section approval"

Renumber accordingly

TD
2/10/15

Date: 02/09 2015
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2358

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: 15.0990.01001 Title 02000
full market value; budget approval

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 Anderson Seconded By Larsen

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larsen (V-Chair)	✓		Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date: 02/09 2015
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2358

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: 15.0990.01001 Title.02000

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 Warner Seconded By Axness

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larsen (V-Chair)	✓		Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Warner

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

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2358**

Senate Human Services 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 Larsen Seconded By Dever

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness		✓
Senator Oley Larsen (V-Chair)	✓		Senator John M. Warner		✓
Senator Howard C. Anderson, Jr.		✓			
Senator Dick Dever	✓				

Total (Yes) 3 No 3

Absent 0

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

SB 2358: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2358 was placed on the Sixth order on the calendar.

Page 1, line 8, after "property" insert "at full market value"

Page 1, line 12, after the first "conveyance" insert ", and the department shall obtain budget section approval"

Renumber accordingly

2015 HOUSE HUMAN SERVICES

SB 2358

2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2358
3/24/2015
Job # 25309

- Subcommittee
 Conference Committee

Committee Clerk Signature

Marys Kringle

Explanation or reason for introduction of bill/resolution:

An Act to authorize the DHS to convey land in Walsh County

Minutes:

Chairman Weisz opened the hearing on SB 2358.

Alex Schweitzer: Superintendent of Life Skills Transition Center: Senator Campbell and people in that area have purchased property that is owned by the state that borders and is managed by the Transition Center. Each time they do these purchases they must come before the Legislature and get it approved. The intend of the bill is they no longer would have to proceed with the procedure but work with the Department of Human Services and the Attorney General when selling the property at full market value. Instead go to the Budget Section for approval so that we would not have to wait the two years and would be able to do this at the quarterly meetings of the Budget Section.

2:30

Chairman Weisz: Is this something on going? Selling every year or two?

Schweitzer: Yes. In the past 15 years I have been involved in 3 sales.

Chairman Weisz: If this is property to be sold, why are we not selling it all instead of piece-mealing it?

Schweitzer: There is only about 306 acres that is left around the Center. The State Hospital has over 3000 acres. The Campus has about 43 acres. The Fire Department has inquired about property that was near the Center that would have been used for a training facility.

Rep. Hofstad: What is the protocol for this sale? Do you put it up for bids or advertise?

Schweitzer: It depends. Some property we have put up for bid and then someone may come and ask if they can buy the property.

Chairman Weisz: What determines the bid when you do not put it up for bids?

Schweitzer: That is why this bill was amended to add the full market value. It has normally been a political sub-division that comes to purchase the land.

Rep. D. Anderson: Is there any buildings being sold?

Schweitzer: Not at this time, but maybe at another time because the campus has a lot of unused and unutilized buildings. The city of Grafton has been looking at some additional housing and has inquired at some of the buildings on campus.

Rep. Rich Becker: You said there is 306 acres left? Are they continuous so it could be sold as one parcel?

Schweitzer: Yes. They are split up in 3 parcels and are close to the campus.

Rep. Rich Becker: Is there a reason they are not all sold at one time?

Schweitzer: The interested are for parks or housing or programs that are local that political sub divisions are interested in. In the 15 years the use for Ag is to rent but not to buy.

Rep. Rich Becker: Is it desirable land?

Schweitzer: It is.

Rep. Mooney: Are you not required to follow the same bid processes that the local sub divisions are required to follow when they sell property?

Schweitzer: We would, but in most cases the property that is sold it comes through a bill. When we sold a large piece of property at the State Hospital, we bid that.

Rep. Mooney: So this pre-implies that process?

Schweitzer: Yes.

Rep. Mooney: In that process how do you articulate out to the general public that you have land for sale?

Schweitzer: With the case of the State Hospital it was advertised.

Rep. Fehr: Are you saying if you are going to sell the property for less than its value you must come back to the Legislature.

Schweitzer: I'm assuming. Yes that is correct.

Chairman Weisz: I think there is enough wiggle room to sell it. Full market value can be a nebulous term.

House Human Services Committee

SB 2358

March 24, 2015

Page 3

Schweitzer: The intent was that it sold at Fair Market Value.

NO OPPOSITION

Chairman Weisz closed the hearing on SB 2358.

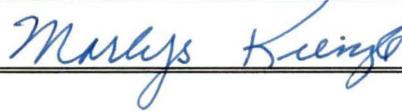
2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2358
3/31/2015
Job # 25663

- Subcommittee
 Conference Committee

Committee Clerk Signature



Minutes:

Chairman Weisz: Opened the meeting with SB 2358. The budget section was not happy with this bill coming to them.

Rep. Hofstad: I move a Do Not Pass on engrossed SB 2358.

Chairman Weisz: They felt this was not a bill that needed to be addressed by them as a Legislative Function.

Rep. Rich Becker: How often does this happen? According to their testimony it seems to me that it would make sense for the hospital as they were trying to be more efficient and save money by selling parcels of land when they have the opportunity to do so.

Rep. Hofstad: When that opportunity does occur they do have the ability to come before the full Legislative body to sell the property. I have some problems with the statement of property at full market value. I also have a problem with the bidding process.

Rep. Fehr: Is killing this bill because we want the sale to come before the whole legislative body or is it the process of selling the land that is not preferred?

Chairman Weisz: Opposition is not that we do not want them to sell but to continue to use the process that has been used previously. No agency has the authority to sell property without approval.

Rep. D. Anderson: Seconded the motion

Do Not Pass Yes 12 No 1 Absent 0

Carrier is Rep. D. Anderson

Date: 3-31-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2358

House Human Services 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 Rep. Hofstad Seconded By Rep. D. Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Mooney	✓	
Vice-Chair Hofstad	✓		Rep. Muscha	✓	
Rep. Bert Anderson	✓		Rep. Oversen		✓
Rep. Dick Anderson	✓				
Rep. Rich S. Becker	✓				
Rep. Damschen	✓				
Rep. Fehr	✓				
Rep. Kiefert	✓				
Rep. Porter	✓				
Rep. Seibel	✓				

Total (Yes) 12 No 1

Absent 0

Floor Assignment Rep. D. Anderson

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

REPORT OF STANDING COMMITTEE

SB 2358, as engrossed: Human Services Committee (Rep. Weisz, Chairman)
recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2358 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2358



#23167

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**Written Testimony of Dawn Keeley, Executive Director
Red River Regional Council**

**Testimony in Support of SB 2358
Before the Human Services Committee, Senator Judy Lee, Chair
February 4, 2015**

Chairwoman Judy Lee and Members of the Human Services Committee:

Please accept this written testimony in support of SB 2358. SB 2358 is essential to providing timely consideration of conveyance of property at the Life Skills and Transition Center (LSTC). Under the leadership of Senator Tom Campbell, the Red River Regional Council have been dedicating staff time towards the redevelopment of excess space at the LSTC over the past eighteen months. Similar to our redevelopment efforts in the mid-1990s, we are excited about the possibilities to convert excess space at the LSTC to private uses.

Currently, we are exploring development opportunities with the power plant and excess space on the campus. The leadership of the LSTC has been very engaged and supportive of the development potential.

With financial assistance from the Agricultural Products Utilization Commission, Walsh County Job Development Authority, and the City of Grafton and in partnership with a private entrepreneur, we have hired a consulting firm to conduct a feasibility study of the LSTC power plant to determine the ability and cost associated with the power plant potentially supporting a five-acre commercial greenhouse. We expect study results this month.

In late 2013, we were awarded funds from the Housing Incentive Fund (HIF) to repurpose the Prairieview Building at the LSTC into a 24-unit apartment building. Affordable housing development projects require a considerable level of soft money (grants, tax credits, deferred loans). We pursued additional funding through the ND Department of Commerce Division of Community Services (DCS) with the Community Development Block Grant (CDBG) and HOME programs (HUD-funded programs). Without the ability to more readily address the conveyance of property, DCS staff concluded the project would have difficulty securing funding from the CDBG and HOME programs. Projects such as this can take months and sometimes years to complete due to the high level of soft money required. With HUD's requirement of swift distribution of funds, we have had difficulty completing the financial packaging on this project due in part the State's ownership of the building. The HIF award was relinquished in late 2014 until we can structure a project that complies with the goals and objectives of multiple funding sources.

We request your favorable consideration of SB 2358 to support our redevelopment efforts of the LSTC campus.



Dig in to Opportunity!

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**Written Testimony of Julie Campbell, Executive Director
Walsh County Job Development Authority**

Testimony in Support of SB 2358

**Before the Human Services Committee
Senator Judy Lee, Chair**

February 4, 2015

Chairperson Lee and Members of the Committee:

Thank you for the opportunity to provide testimony in support of SB 2358. This bill would be an important tool in determining expanded uses for spaces at the Life Skills and Transition Center (LSTC) campus that are no longer being used by the State of North Dakota.

Over the past twenty years, the number of people residing at the LSTC has decreased, resulting in excess space on the campus that could be developed for other uses. In 1994, the Walsh County Job Development Authority (WCJDA) was awarded a grant by the State of North Dakota to hire a consultant to conduct a feasibility study to consider alternate uses for these vacant buildings. The WCJDA partnered with the Red River Regional Council and the end result of this process was the rehabilitation of two vacant, historic buildings into apartment buildings, one with market-rate rents and the other for low-to-moderate income individuals. These apartment buildings are at full capacity and provide much-needed housing for the community of Grafton.

A local working group comprised of community leaders, LSTC staff, legislators and economic development professionals is currently investigating potential developments for the campus. These developments include multi-family housing, a commercial greenhouse utilizing excess capacity of the LSTC power plant, and other complementary projects. If deemed feasible, the ability to convey property to project developers in a timely manner would be essential. Currently, such conveyance requires approval of the full legislative body, which meets biennially. SB 2358 would provide an alternate avenue to convey property in a timely and responsive manner.

I fully support Senate Bill 2358 would appreciate your consideration and support of this bill.

Potential expansion of community housing

Empty Buildings

Senior Housing (99 year lease to Metro plans)

SB2358

02/09/14
J#23477

Attach#1

Life Skills & Transition Center

Life Skills and Transition Center
Grafton, ND

Gray - Current rentals
White - LSTC Occupied

