

HB1025

House Appropriations Committee

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Chair and Committee Members: I am Dean Bresciani, President of North Dakota State University. I'm here today to provide information on one provision of HB1025 relating to litigation costs associated with the A. Glenn Hill Center on NDSU's campus.

After completing construction of the A. Glenn Hill Center in late 2015, the project's general contractor, Roers Construction, Inc. (the "GC") alleged that NDSU owed the GC an additional \$1,317,403 based on claimed delays and increased costs during the construction process. NDSU disputed the allegations, and NDSU was served with a lawsuit on January 16, 2018, which forced NDSU to defend itself in court. With the approval of the State Board of Higher Education and the Attorney General's Office, NDSU retained the law firm of Stinson LLP with offices in Bismarck and Minneapolis as litigation counsel.

Subcontractors and other parties involved in the construction project were brought into the litigation, and ultimately, there were a total of nine parties. Upon completion of extensive discovery, but prior to summary judgment motions and a possible trial, the parties reached a global settlement with the assistance of a mediator. The settlement negotiations were complicated because there were nine parties together with their attorneys and insurance companies. NDSU signed the settlement agreement on November 15, 2019 contingent upon the approval of the State Board of Higher Education, which was provided on December 3, 2019.

With this bill, NDSU is seeking repayment solely for the litigation costs associated with this lawsuit, which totaled \$474,657. NDSU was required to defend itself against this suit and incurred substantial attorney's fees, expert fees, mediation fees and court costs as a result. We are asking for reimbursement for those costs. This bill would not be utilized for settlement payment purposes.

We ask that you pass HB1025 with this appropriation for NDSU. I, along with NDSU's litigation counsel, are available to answer your questions. Thank you.