

M I N U T E S

IOWA LEGISLATIVE COUNCIL

July 12, 1972

The thirteenth meeting of the 1971-72 Legislative Council was called to order by the Council Chairman, Representative Andrew P. Varley, at 10:15 a.m., Wednesday, July 12, 1972 in the Speaker's Room of the State House in Des Moines, with the following Council members present in addition to Chairman Varley:

Senator Clifton C. Lamborn, Vice Chairman
Lieutenant Governor Roger W. Jepsen
Speaker of the House William H. Harbor
Senator James E. Briles
Senator Eugene M. Hill
Senator William D. Palmer
Senator John C. Rhodes
Representative Michael T. Blouin
Representative Dale M. Cochran
Representative Dennis L. Freeman
Representative Nathan F. Sorg
Representative Delwyn Stromer

Others present included Senator Francis L. Messerly, Architect Frank Bunker, Legislative Fiscal Director Gerry D. Rankin, Director of General Services Stanley McCausland, Acting Director Wayne Laughenberg of the Office for Planning and Programming, and Director Serge Garrison and Phil Burks of the Legislative Service Bureau staff, and a number of representatives of the news media and other interested persons.

On motion of Representative Sorg, the minutes of the Council's June 14 meeting were approved as submitted to Council members.

Chairman Varley recognized Mr. Rankin, who stated that pursuant to the Council's action at its previous meeting Mr. Bunker had prepared a report recommending steps to be taken to overcome the noise and ventilation problems which presently make the new office on the double decked area above the second floor ladies restroom in the State House unsuitable for use. A copy of a letter from Mr. Bunker to Mr. Rankin, setting forth these recommendations, is attached to and by this reference made a part of these minutes. Mr. Rankin noted that Mr. Bunker had considered the possibility of installing electric baseboard heat in the new office area, but that there appears to be no cost advantage in doing so and, as noted in Mr. Bunker's letter, the necessary steam connections can readily be made.

Mr. Bunker pointed out that although the Council's acceptance of his report to it at the April 12 meeting constituted authority to make final payment of all but \$300 due the contractor for the remodeling of the Legislative Fiscal Director's office

area, this payment has not yet actually been made. Therefore, if the Council wishes to proceed with the steps recommended by Mr. Bunker in his letter to Mr. Rankin, this could be handled as a change order in the original contract.

In answer to inquiries from Representative Sorg, Mr. Bunker stated that his recommendation contemplates installing acoustical tile only on the new ceiling of the ladies restroom and on the sidewalls for about twenty-four inches down from the ceiling to the point where the existing ceramic tile ends, and that as indicated by his letter to Mr. Rankin he considers the estimated cost of carrying out his recommendations generous. He added that he would anticipate that by close supervision it would probably be possible to keep the cost of the work below the estimate, as was the case with installation of the ladies restroom in the House Chamber.

Senator Hill inquired whether any problems, similar to those which Mr. Bunker's recommendations are intended to overcome, now exist with respect to any other portion of the newly remodeled area. Mr. Rankin replied that while there is some sound transfer between the upper and lower levels in his remodeled office area, this is not disruptive and will not be a problem.

Representative Freeman pointed out that the remodeling of this area was not meant to be permanent, in the sense of being irreversible, and inquired whether the changes now being proposed by Mr. Bunker will in any way make the remodeling of the area in question less reversible. Mr. Bunker replied that this would not be the case, that the only "permanent" alteration would be installation of acoustical tile on the upper walls of the second floor ladies restroom, and that this area had already been substantially modernized from the original construction of the building before the recent remodeling project was undertaken.

Representative Sorg moved that the work recommended by Mr. Bunker in his letter to Mr. Rankin be approved as a change order to the original contract for remodeling of the Legislative Fiscal Director's office area. The motion was seconded by Senator Hill, and adopted by a roll call vote with all Council members present voting yes.

Chairman Varley then recognized Senator Messerly, Chairman of the Senate Appropriations Committee. Senator Messerly recalled that at its April 12 meeting the Council had instructed Representative John Camp, Chairman of the House Appropriations Committee, and himself to act as a two-member subcommittee to gather information relative to the needs for additional state government office space, the cost of constructing one or more new buildings to meet this need, and the availability of federal funds to assist in meeting this cost; also what savings might be affected

by constructing new buildings as opposed to continuing to rent space in buildings not owned by the state. Senator Messerly's initial report on this study had been submitted to the Council at its previous meeting, and additional time had been requested to complete a more detailed report.

Senator Messerly noted that at the time he and Representative Camp began gathering the information desired by the Council, the Governor had also instructed the General Services Director and the Office for Planning and Programming to make a similar survey. Senator Messerly and Representative Camp therefore worked with these agencies, and Senator Messerly reported that by their joint efforts considerable information had been gathered. He stated that Director of General Services McCausland was present for the purpose of giving the Council a detailed report on this matter.

Mr. McCausland presented a report consisting of a one-page summary statement dated July 10, 1972, followed by eight pages of supporting data. A copy of this report is attached to and by this reference made a part of these minutes.

Mr. McCausland reviewed his report, stating that he used alternative figures of \$35 and \$40 per square foot for cost of construction, which he remarked might be considered rather high, while using a figure of \$4 per square foot per year for the cost of leasing or renting office space. Mr. McCausland stated that in his own opinion it would be better for the state to get out of the Valley Bank Building at the earliest possible time, and if it continues to utilize that building over any prolonged period of time, substantial investment will have to be made in repairs and improvements to the building. He added that the cost figures presented in his report do not reflect the value of the land on which the Valley Bank Building stands, which he stated he would conservatively estimate at \$200,000.

In response to questions by Senator Lamborn relative to the effect on the local tax base if offices now located in rented space not owned by the state are moved to new buildings constructed by the state, Mr. McCausland stated that at the most this factor would involve only the 47,400 square feet of leased space listed in his report as being the location of present state offices which might conceivably be moved to the Capitol complex. He explained that this figure does not include leased space occupied by certain agencies which it does not appear, for various reasons, would be feasible to relocate in the Capitol complex. As examples, he listed the educational television system, with its specialized needs in terms of studio space, and the Aeronautics Commission, which it is felt should be located at the Des Moines Airport.

Senator Lamborn inquired about the source of the data reflected in Mr. McCausland's report which indicates that there

will be a substantial increase in the number of state employees in the next few years. Mr. McCausland replied that this data is based upon information submitted to him by the respective state departments at his request, and that no critical analysis has been made of this information.

Senator Hill inquired whether the cost of leased space used by Mr. McCausland in preparing his report takes into account the cost of services provided by the lessor. Mr. McCausland replied that at present the state has a broad variety of arrangements with various lessors, ranging from provision of full utilities and custodial service to the state as a part of the lease arrangement to no services at all. He stated he did not have time to analyze all of these factors in detail, and therefore tried to arrive at a reasonable overall estimate of the average cost of leased space. He expressed the view that the figure he used in preparing his report is realistic.

In response to questions from Representative Blouin, Mr. McCausland stated that the information which he requested from the various state departments includes the present number of employees each department has, the space each department now occupies and where it is located, and how many employees and how much space each department feels it will need within five years. Representative Blouin then asked whether Mr. McCausland would consider the figures contained in his report an adequate basis for beginning an immediate building program. Mr. McCausland replied that he definitely would not, that his report represents the most recent version of what he terms "a living document," which reflects the best that is known at the moment about building needs, costs, etc. He added that his report is intended as a point of departure, and that more basic information is needed on which to base a detailed study before any actual building program is undertaken.

In response to a series of questions from Senator Palmer, Mr. McCausland stated that at present leasing costs to the state range from \$3.25 to \$3.50 per square foot per year, and that he is not sure to what extent these leasing arrangements involve the provision of utilities and custodial services by the lessor. He added that he does know it will cost the state at least \$3.50 per square foot per year for the next twenty years to lease necessary office space if no changes in present office housing arrangements are made. He explained that all of this payment would be made to other property owners in the City of Des Moines; none of it represents payment by one state agency to another.

Mr. McCausland informed Senator Palmer that he had taken into account studies of state space needs made in previous years, but had not analyzed the extent to which projections of space needs made five years ago have compared with actual developments since that time. He remarked that it appears that much of the growth in

the number of state employees during the past few years is due to the effect of new federal programs, rather than to expansion of purely state programs.

In answer to another question by Senator Palmer, Mr. McCausland confirmed that the report he had presented does not reflect possible needs for legislative office space, but he asserted that this is not intended to imply that he does not consider legislative office space a valid need. He stated that he does not know what the Legislature's space needs are and would appreciate receiving definitive information on this point.

Mr. McCausland stated that the report he had presented contemplates the construction of two new state office buildings with a total of approximately 300,000 square feet of floor space, primarily because it appears undesirable on aesthetic grounds to construct a single new office building with that much floor space. Mr. McCausland explained that such a building would be approximately the size of the present Lucas Office Building, and that the Capitol Planning Commission is opposed to construction of any more buildings of this size within the Capitol complex because such buildings tend to detract from the dominance of the Capitol itself over the complex.

Mr. McCausland stated that the projected occupancy of the two new buildings contemplated by his report had been arranged with some consideration to possible availability of federal funds to help pay the cost of buildings occupied by certain agencies. For example, it is believed that federal funds would be available to help with the cost of what the report calls the "Administration Building" if the Department of Public Instruction is located in it, and Mr. McCausland added he had assumed that if that Department is located in the building, it would be advisable to also place the Board of Regents there out of consideration of the need for frequent communication between these two departments.

Mr. McCausland stated that it is contemplated that either the Attorney General's office or the Supreme Court, but not both, would be located in the new Hall of Justice Building. He added that this would raise the question of the future location of the Iowa Law Library. He pointed out that when the master plan for expansion of the Capitol complex was completed several years ago, it called for moving the Law Library out of the State House and remodeling the present Law Library, possibly for use as legislative office space, but he commented that members of the Capitol Planning Commission and a number of other persons have had serious second thoughts about this plan in view of the unique aesthetic beauty of the present Law Library.

Mr. McCausland stated that his report, as presented to the Council, does not contemplate moving the offices of the Trea-

surer of State, Auditor of State, Secretary of State or Secretary of Agriculture out of the State House. However, if the General Assembly indicates that it requires additional space within the present State House, any or all of these agencies could conceivably be moved elsewhere in order to make the needed space available.

Speaker Harbor inquired whether Mr. McCausland's figures of 89,000 square feet of floor space in the Valley Bank Building includes the space presently occupied by the Bank itself. Mr. McCausland replied that it does not, adding that he had not projected the loss of revenue which would occur if the state disposed of the Valley Bank Building and thereby lost the rent presently received from the Bank for the space it occupies on the first two floors of the building.

Speaker Harbor then asked what federal guidelines or requirements would be involved in constructing buildings which would be partially paid for by federal funds, commenting that it has been his observation that at times such guidelines make the cost of a project substantially more than it would be if the state carried out the project entirely with its own funds. Mr. McCausland replied that he has no detailed information on this point, but that he is informed that the requirements of the federal government on such matters relate more to the use of the building after it is constructed than to specific construction standards.

Chairman Varley observed that Mr. McCausland's figures appear to underestimate the savings which would be realized by reallocation of space in the existing Lucas and Grimes Buildings if agencies now housed in those buildings were moved into newly constructed buildings. He then asked why Mr. McCausland's figures appear to indicate that federal matching funds would be available with respect to only a portion of the cost of the proposed new administration building, not all of it. Mr. McCausland pointed out that his report contemplates that some portions of the building would not be occupied by agencies eligible for federal construction assistance; for example, a major part of the first floor would be allocated to additional space for the Historical Display. Mr. McCausland explained that there is no longer space in the Historical Building for display of all of the items of interest which the state museum has acquired.

There being no further questions at the moment for Mr. McCausland, Senator Messerly introduced Mr. Laughenberg, explaining that he would present information on the use of the Capitol grounds and the restrictions thereon, and on certain federal funds available for meeting state office space needs. Mr. Laughenberg pointed out that the Sixty-first General Assembly, in 1965, had authorized the Executive Council to acquire a number of acres of ground surrounding the then existing Capitol complex, and that the Executive Council thereafter entered the federal Open Spaces

program under which some of the funds used to make the purchases authorized by the General Assembly were acquired. Specifically, the land so acquired lies between Walnut and Grand and between East 14th and the former route of East 13th Streets. Mr. Laughenberg stated that this land is therefore not available for building purposes, but that this should constitute no problem in the future development of the Capitol complex.

Mr. Laughenberg suggested the possibility of arranging for the construction of needed new state office space under a lease-purchase type of arrangement. He stated that members of his staff had held informal conversations with members of the Attorney General's staff, and that it appears that the state can enter into such arrangements under existing statutes. Mr. Laughenberg pointed out that such an arrangement would require no large capital appropriation at any one time, and probably would have the effect of keeping the real property involved on the tax rolls.

Senator Hill, referring to Mr. McCausland's earlier remarks regarding the increase in the number of state employees due to the effect of federally funded programs, asked whether the Office for Planning and Programming can provide information on the extent to which the increase in the number of state employees is due to the effect of federal funds. Mr. Laughenberg replied that OPP can provide this information, and offered comments to the effect that the advent of federal revenue sharing will almost certainly contribute to a further increase in the number of state and local employees and that efforts must be made to secure competent, dedicated employees.

Representative Cochran inquired whether there will be additional space available in the new buildings contemplated in Mr. McCausland's report, after the space assignments in the new buildings which are projected in the report are made. Mr. McCausland replied that there would be very little if any such space, adding that his report does not really go into how much room would be needed for restrooms and other support facilities in the contemplated buildings.

Representative Cochran then asked if it is correct that Mr. McCausland is seeking additional information from the General Assembly regarding the perceived need for office and other additional space for the Legislature. Mr. McCausland confirmed that this is correct, and briefly mentioned several alternative methods of providing additional space to the Legislature, including moving some of the agencies presently housed in the State House elsewhere, and construction of as many as four floors of office and parking space below the existing ground level at the west side of the State House running toward East Ninth Street. Mr. McCausland pointed out that by landscaping the roof of such a structure, the appearance of the State House as viewed from downtown Des Moines would not be materially changed.

Senator Messerly stated that he and Representative Camp have discussed legislative space needs several times. He observed that what Mr. McCausland had presented to the Council at the present meeting is basically an executive space needs study. Senator Messerly therefore proposed that a subcommittee consisting of three members each from the Senate and House standing Committees on Appropriations be appointed to review in detail the information which has already been gathered, plus whatever additional data it is felt is needed, and bring back to the Council a recommendation on state space needs and a projection of the number of state employees in the next few years. In response to a question from Representative Cochran, Senator Messerly stated that what he has in mind is obtaining more detail on the areas covered by Mr. McCausland's report plus definitive information on legislative space needs. He acknowledged that this would be a rather large assignment, but expressed belief that it can be completed, with the assistance of the Legislative Fiscal Director's office, in time for a report to be submitted to the Council prior to the 1973 session.

Senator Hill inquired to what extent the Capitol Planning Commission has been involved thus far in preparation of the data presented by Mr. McCausland. Mr. McCausland replied that the first meeting of the Capitol Planning Commission in which he has been involved was held on the previous day, adding that the Commission is also waiting for more information on the future space needs of the Legislature. Senator Hill asked specifically whether the Commission has considered the idea of constructing a relatively large office and parking space facility below existing ground level immediately west of the State House. Mr. McCausland replied that he had just presented this suggestion to the Commission on the previous day. He also stated that consideration is being given to some sort of contest to generate suggestions for the planning of new construction within the Capitol complex, which would be structured so that the contestants would submit color drawings of their proposals and thus give the Commission a basis for forming a judgment about the aesthetic qualities of each proposal. After the concept embodied in a particular proposal has been decided upon, a professional architect could be employed to execute detailed plans.

In response to a question from Representative Sorg, Senator Messerly expressed belief that a legislative subcommittee such as he had proposed could conduct a meaningful building needs study with the cooperation of knowledgeable state employees. Representative Sorg pointed out that Senator Messerly had earlier stated that the Governor had asked the Director of General Services and OPP to make a building needs study, and that presumably the Capitol Planning Commission is also involved in this area, and he expressed concern about establishing an additional legislative study in the same area. However, Chairman Varley observed that it would be valuable to have a body of legislators informed in this area when the session opens.

Senator Lamborn moved that the Council authorize the establishment of a subcommittee to be composed of three Senators and three Representatives drawn from the respective Committees on Appropriations, to carry out the study of building needs and of the prospective number of state employees, and that the subcommittee be initially authorized three meetings with the option to request authorization for additional meetings if necessary. The motion was seconded by Senator Briles.

In response to questions from Senator Rhodes and Representative Sorg, Senator Lamborn stated that it is the intent of his motion that the subcommittee review the plans and general recommendations which have already been submitted, and seek whatever additional information they feel is necessary to form the basis for specific recommendations regarding state space needs, including legislative space needs. He expressed hope that the study could be completed in time for recommendations to be submitted to the 1973 session of the General Assembly.

Senator Lamborn's motion was adopted on a voice vote. Chairman Varley expressed the personal hope that the subcommittee and those working with it will give the highest priority to making available additional space for the Legislature within the State House.

The meeting was recessed for lunch at 11:50 a.m., and reconvened in the Speaker's Room at 1:30 p.m. with all Council members who had been present for the morning session again present, except Senator Lamborn. Other persons present for the afternoon session, in addition to many of those who had been present for the morning session, included Secretary of the Senate Carroll A. Lane, Chief Clerk of the House William H. Kendrick, President C. C. Wagler of the Iowa State Fair Board, Fair Board Secretary Kenneth Fulk and Jerry Coughlon and Mike Murphy of the State Fair Board's staff.

Chairman Varley recognized Mr. Lane, who reported to the Council that the State House electricians have informed him that sufficient electrical power is now available to handle air conditioning for the Senate and House Chambers if the General Assembly wishes to proceed with such an installation. Mr. Lane noted that the 1969-70 Council had been interested in the possibility of air conditioning the chambers two years ago, but that after an initial engineer's study it was found that the existing electrical system could not provide the power needed to operate such a system.

Mr. Lane stated that engineer Frank Pulley, who had made the initial study of the possibility of air conditioning the chambers two years ago, and Senator Wilson Davis had both assisted in preparing figures on the probable cost of installing such a system at this time. Mr. Lane added that it appears that the original

State House ventilation system, as recently reconditioned and improved, will be quite useful in air conditioning the legislative chambers. It is estimated that the probable cost for installing 200 tons of air conditioning capacity would be \$175,000; this would include a total of 140 tons capacity to serve both legislative chambers and 60 tons reserve capacity which could be used to air condition the present Law Library if and when it is desired to do so. Mr. Lane noted that the reduction in cost which would be effected by omitting the 60 tons reserve capacity for the Law Library would be only about \$600.

Mr. Lane said that it would require two months for Mr. Pulley to prepare detailed plans for the proposed air conditioning system before a contract could be let. Mr. Lane added that after the contract is let, it would require approximately twelve months for the final completion of the entire project, but that Mr. Pulley had indicated that the air conditioning system would be available for use in late May or June of 1973 if the Council acts promptly on the project at this time.

In response to a series of questions from Council members, Mr. Lane explained that it had not been possible for either Mr. Pulley or Senator Davis to attend the present meeting and that his own knowledge of the technical details of the proposed air conditioning for the legislative chambers is limited. However, he stated that the proposed system would involve little new duct work and would primarily use the existing ventilation system, and that therefore it would not be suitable to try to make the proposed new systems serve areas such as legislative committee rooms, the House Chief Clerk's and Senate Secretary's offices, and the Lieutenant Governor's office, all of which are now served by individual air conditioning systems. Mr. Lane explained that most of these areas were originally connected to air vents which come up from the State House basement, not down from overhead as do the vents serving the legislative chambers themselves.

Representative Freeman expressed opposition to the proposal to air condition the legislative chambers. He noted that Mr. Lane had indicated that the system would be available for use in late May or June of next year, and expressed the opinion that there is no necessary reason why the 1973 session should continue that long.

Senator Briles disagreed with Representative Freeman, stating that in any case there is often some rather warm weather as early as April when air conditioning would make the legislative chambers much more comfortable. Senator Briles then moved that Mr. Pulley be authorized to proceed with preparation of detailed plans for the proposed air conditioning system. The motion was seconded by Representative Blouin.

Speaker Harbor said he had been informed that there is considerable difference between the cost estimates prepared by Mr. Pulley and those prepared by Senator Davis, and asked whether there should not be some effort to obtain additional information on this point before a decision is made by the Council. Mr. Lane stated that the difference in the cost estimates prepared by the two men is only about \$3,000, explaining that a \$100,000 total cost estimate about which Speaker Harbor had asked refers to a preliminary estimate which was made a number of years ago.

In answer to a question by Representative Cochran, Mr. Lane stated that it would be necessary to let the contract for installation of the proposed air conditioning system by means of sealed bids, and that if the Council should approve proceeding with this project at the present meeting, Mr. Pulley would draw up detailed plans and prepare specifications on the basis of which bids could be sought by the Council in approximately two months. Mr. Lane commented that both Mr. Pulley and Senator Davis had indicated that contractors who do work of this kind need work at the present time, and that it is therefore likely that the state could obtain favorable bids on the project. He also stated that it would be possible for the Council to instruct Mr. Pulley to proceed with preparation of detailed plans and specifications without committing itself to carrying out the actual project, or even to decide against proceeding with the project after bids have been received.

Chairman Varley asked what is the present relationship between Mr. Pulley and the General Assembly. Mr. Lane stated that two years ago, after the Council decided not to proceed with air conditioning of the chambers, Mr. Pulley was paid a fee for the preliminary work which he had done at that time. (Mr. Kendrick later stated that his records indicate that the fee was \$1,163 for preliminary plans for both the Senate and House Chambers.) Mr. Lane added that presumably the same method of payment would have to be followed this time if the Council requests Mr. Pulley to prepare plans and specifications and then does not proceed with the air conditioning project; otherwise, Mr. Pulley's compensation would be a flat percentage of the amount of the contract for installation of the system. In answer to a question from Speaker Harbor, Mr. Lane stated that he did not know what this percentage would be but thought that it would be in the neighborhood of six percent; Speaker Harbor said that he had heard the fee might be as high as ten percent.

Representative Sorg moved, as a substitute for Senator Briles' previous motion, that the Council Chairman appoint a committee of the Council to look into the details of the arrangement with Mr. Pulley, which committee shall have authority to direct Mr. Pulley to proceed with preparation of detailed plans and specifications for the air conditioning of the legislative chambers, without the necessity of reporting back to the Council, if they consider it

advisable to do so. The motion was seconded by Speaker Harbor, and adopted by a voice vote, Representative Freeman voting no. Chairman Varley appointed to the Committee authorized by the motion Representative Sorg and Senators Briles and Hill.

Chairman Varley then recognized Mr. Wagler, who stated that pursuant to the Council's request at its previous meeting the State Fair Board had prepared a presentation to be made to the Council which he hoped would answer all or most of the questions the Council wished to discuss regarding the operation of the State Fair and utilization of the Fairgrounds. Mr. Wagler stated that the presentation would be made by Mr. Fulk, after which he and Mr. Fulk would be pleased to answer any further questions which Council members might have.

Each Council member present received a copy of a 35-page booklet containing a preface, information on State Fair business practices, utilization of the Fairgrounds, recommendations for improved management and use of the Fairgrounds made November 17, 1970, the Iowa State Fair and World Food Expo Study, and the American Revolution Bicentennial Commission's national park proposal, followed by a summary statement. Copies of the 1972 State Fair premium list and the 1971 report of the Iowa State Fair were also distributed to Council members. Copies of this material are on file with the Legislative Service Bureau.

Mr. Fulk began his presentation by reading the preface appearing in the booklet distributed to Council members. A copy of the preface is attached to and by this reference made a part of these minutes.

Mr. Fulk then reviewed the other material included in the booklet. He stated that the list of recommendations dated November 17, 1970, was drawn up in preparation for the Sixty-fourth General Assembly, but that only one of the eleven specific recommendations on the list has been enacted. He added that in his view the recommendation which was enacted, that the per diem pay of the Iowa State Fair Board members be raised from \$20 to \$30, was the least important of the eleven recommendations, and he expressed the opinion that the Fair Board members would agree with him on this point.

Commenting on page 29 of the booklet, entitled "Progress Toward a World Food Exposition in Iowa", Mr. Fulk stated that in 1967-68 a feasibility study regarding a World Food Exposition in Iowa was conducted by Economics Research Associates of Los Angeles, which he described as a group of consultants originally assembled to do the feasibility study for the establishment of the California Disneyland, who thereafter established a permanent consulting firm. Mr. Fulk described the major conclusions of this feasibility study as being (1) it is not feasible to move the present Fairgrounds,

(2) it is not feasible to develop a World Food Exposition on the present Fairgrounds, (3) therefore a new location, with interstate highway access, should be sought for the proposed World Food Exposition.

In concluding his presentation, Mr. Fulk read the summary statement appearing on page 35 of the booklet which had been distributed to Council members. A copy of the statement is attached to and by this reference made a part of these minutes.

Senator Palmer expressed the opinion that Iowa unquestionably has a very fine State Fair, however he stated the concerns which had originally led him to bring this matter before the Council do not go to the point of the success of the State Fair as such. With reference to the preface of the booklet distributed to Council members, which had been read by Mr. Fulk at the beginning of his presentation, Senator Palmer specifically challenged two of the eight itemized statements included.

The first was statement 2, which reads "Every citizen of Iowa regardless of age, race or creed can exhibit and find expression and recognition in their Iowa State Fair." Senator Palmer stated that a group which wished to set up an anti-war display at the State Fair was at first denied the opportunity to do so, and asserted that the Fair Board changed its position on the matter only when pressure was brought to bear by the Iowa Civil Rights Commission.

Senator Palmer also challenged statement 5 in the preface, which reads "The records of the Iowa State Fair, including contracts with concessionaires, are open to any interested Iowan except for those records which the law requires to be kept confidential according to Chapter 68A.7." Senator Palmer asserted that a group of dissatisfied State Fair concessionaires had recently asked to see the Fair Board's records, but their request was refused.

In response to Senator Palmer's second assertion, Mr. Fulk stated that Mr. Decker Davis, on behalf of the concessionaire's group, had asked that he turn over to Mr. Davis all of the Fair Board's records, and Mr. Fulk stated that he had refused to do that because he felt that such action might be unfair to particular concessionaires in certain instances. He added that Mr. Davis had not specifically requested the records relating to any particular transaction or to any individual concessionaire, but that if he had done so the request would have been honored to the full extent permitted by law.

Senator Palmer then asked Mr. Fulk how many semi-permanent structures are presently located on the Fairgrounds, and what persons have interests in them. Mr. Fulk stated that there

are seven or eight such structures, but that he was not prepared to specifically answer the second part of Senator Palmer's question because Senator Palmer had not previously raised this question in conversations with Mr. Fulk. However, Mr. Fulk did identify some of the structures in question by their approximate location and indicated the individuals or groups with whom the Fair Board has contracts relative to the structures. Senator Palmer asked if one or more individuals have an interest in as many as three of these semi-permanent structures. Mr. Fulk replied that he does not know exactly what Senator Palmer means by "interest", although the Fair Board certainly knows who it has contracted with in regard to each of these structures.

Senator Palmer asked what procedures are followed when it is decided to put a semi-permanent structure out for contract. Mr. Fulk explained that when the Fair Board concludes that the public is no longer being served as well as it should be by a facility in an area which already is, or is designated as potentially, a site for a semi-permanent structure, the concessionaire who occupies that spot is invited to submit a proposal for improvement of the site. If the Fair Board is not satisfied with the operator's proposal, it invites proposals from a number of other parties who have their names on file as being potentially interested in any opportunity to contract for such a site. The Fair Board then evaluates proposals received from these parties, and selects the one which in its judgment will best serve the general public and improve the appearance of the Fairgrounds. Mr. Fulk added that if the opportunity to submit proposals to the Fair Board were advertised in a newspaper, it is likely that the Fair Board would receive hundreds of proposals from persons whose qualifications and experience could not be judged in any meaningful way by the Fair Board.

Mr. Fulk explained that in seeking proposals for such a site, the Fair Board specifies the rent which is to be paid for the site rather than inviting bids. He expressed belief that a bidding procedure would encourage concessionaires to overbid, thereby making it necessary for them to increase prices or reduce service to the public in order to operate at a profit.

Senator Palmer noted that, of the 1972 interim events at the Fairgrounds, listed on pages 25 and 26 of the booklet distributed to Council members, seven are stock car races and asked if it is correct that these are promoted by Mid Continent Racing Association. Mr. Fulk replied that this is correct, and at Senator Palmer's request described the arrangement between the Fair Board and MCRA in some detail. He stated that the Fair Board maintains the track and provides ticket takers, security arrangements and an ambulance for each of these racing dates. In return the promoter pays the Fair Board thirty-five percent of the total gate receipts, in addition to providing the prize money awarded at the races, paying the sales tax, and taking care of all promotional efforts.

Senator Palmer than asked whether, to Mr. Fulk's knowledge, state stationery and postage has ever been used, or any letters have ever gone out over Mr. Fulk's signature to promote the MCRA racing events. Mr. Fulk replied that the Fair Board does advise the press of coming events at the Fairgrounds, but does not ask the press to publish these dates.

Senator Palmer asked what is the state's net income from automobile racing at the Fairgrounds. Mr. Fulk replied that this would be difficult to determine, adding that the figure given in response to Senator Palmer's question would depend on exactly what portion of the cost for maintenance of the racetrack, grandstand, etc. are allocated to the MCRA events.

Senator Palmer asked how the right to promote the weekly Saturday night stock car races at the Fairgrounds is put out. Mr. Fulk replied that the initial arrangement for such races was made at the initiative of the Fair Board in response to a number of requests of local residents who objected to having to drive considerable distances to watch stock car races when the Fairgrounds race track was available but not being utilized. Mr. Fulk stated that the Fair Board contacted several known automobile racing promoters, but that Mr. Homer Melton of MCRA was the only one who showed any interest.

Mr. Fulk continued that the initial season of Saturday night stock car races was organized on a rather cautious basis, with the objective of determining whether there was enough real interest in such racing in Des Moines to justify their continuation. He stated that after the second successful season, the Fair Board invited alternative proposals for the continuing promotion of such races at the Fairgrounds. At that time Mr. Melton offered the Fair Board thirty-five percent of the gate, one other offer for forty percent of the gate was received, and a third for sixty-five percent of the gate was received. Mr. Fulk stated that the sixty-five percent proposal was dismissed as being totally unrealistic; he asserted the promoter would have gone broke after the first week's races. Since Mr. Melton was and is doing a good job of promoting the Saturday night races, and attendance at these races was building up, the Fair Board concluded that it would be unwise and perhaps unfair to take the promotional rights away from him and award them to another party for an increase of only five percent in the Fair Board's share of the gate receipts.

Senator Palmer asked what percentage the state receives of the receipts from sale of food and beverages at the Saturday night stock car races. Mr. Fulk replied that the Fair Board's share of these receipts is fifteen percent, adding that the racing promoter has nothing to do with the food and beverage concession in the grandstand.

Senator Palmer inquired, as of the date of the present meeting, whether the Fair Board has submitted its rules, such as those included in pamphlet form in the booklet distributed to Council members, to the Departmental Rules Review Committee for review as required under Chapter 17A of the Code. Mr. Fulk replied that the Fair Board has obtained a copy of the Code Editor's specifications for the form in which administrative rules are to be written and presented, and has reedited its rules according to this form for submission to the Departmental Rules Review Committee. However, he added that it does not appear to be practicable to do this every year, pointing out that the form prescribed by the Code Editor results in a rather bulky document.

Representative Blouin inquired how much time Mr. Fulk has devoted to promoting the concept of a World Food Exposition in Iowa since this proposal was defeated in the 1972 session of the Legislature. Mr. Fulk replied that he is unable to give a specific answer to this question, adding that, broadly speaking, he works on this proposal all of the time. He explained that he thinks it is important, as an aspect of the American Revolution Bicentennial celebration, and that he has made efforts to get every community in the state involved in terms of local goals for observance of this occasion. He noted that his own responsibilities include work for the Iowa American Revolution Bicentennial Commission as well as the Fair Board.

Mr. Fulk characterized the action taken by the 1972 Legislature as the defeat of the proposed appropriation for the World Food Exposition by one vote, with several absences, and stated that he does not construe this action to forbid anyone from continuing to work in the interest of bringing about a World Food Exposition in Iowa. Representative Blouin replied he believes it would be better for Mr. Fulk to spend more time working on improved utilization of the Fairgrounds during the interim between the annual state fair rather than continuing to try to promote the establishment of a World Food Exposition in Iowa. Mr. Fulk remarked that it has been his experience that when people really understand the World Food Exposition concept, they support it.

Senator Hill asked for interpretation of the term "net income" as it appears on page 5 of the State Fair's 1971 Report distributed to Council members. Mr. Coughlon stated that this term should be "gross income" and that that term will be used rather than "net income" in future editions of the Report.

Referring to Mr. Fulk's earlier statement to Senator Palmer regarding the Fair Board's reluctance to advertise in newspapers for bids for available concessions sites, Senator Hill suggested that if the Fair Board is concerned about inability to evaluate a potential concessionaire's qualifications and experience, it could require performance bonds from successful

bidders. Mr. Fulk asked Senator Hill if his comment implies that the potential concessionaires' bids should be based on who will pay the Fair Board the most rent for the site in question. Senator Hill replied that to his knowledge that is the basis on which most similar contracts are awarded. Mr. Fulk explained that many of the State Fair concessionaires are persons or groups who become involved in such activities only at State Fair time, and stated that in some cases they offer various kinds of specialities which add considerable variety to the State Fair in total. He expressed belief that if the Fair Board adopted the policy suggested by Senator Hill, all, or nearly all, of the concessions at the State Fair would be obtained by one or a few large commercial operators who might then charge high prices while providing poor service to the public.

Senator Hill then noted that the list of 1972 interim events held at the Fairgrounds, appearing on pages 25 and 26 of the booklet distributed to Council members, includes no dates later than June 24, 1972. He stated he has been advised that the Fair Board has contracted for a rock festival to be held at the Fair Grounds on Sunday afternoon July 16. Mr. Fulk replied that the scheduled event was arranged as a political concert, not a rock festival. After referring to political events which had been held earlier in the year at the Fairgrounds, Mr. Fulk stated that the Fair Board had been advised that the organization supporting Senator John Tapscott for the Democratic nomination for Governor wished to hold a "People for Tapscott" concert on Sunday, July 16, and assumed that this event would not be substantially different from the earlier political events which he had mentioned. Mr. Fulk stated that the contract covering the event was signed with Mr. Lou Scorpiniti, whom Mr. Fulk described as a former associate of Senator Tapscott's who now lives in California. Mr. Fulk stated that under the contract Mr. Scorpiniti is responsible for any damage to Fairgrounds facilities and has provided insurance to back this responsibility. Mr. Scorpiniti will also be responsible for the cost of necessary security arrangements which are being made by the Fair Board.

Senator Hill asked whether there was any indication in the contract between the Fair Board and Mr. Scorpiniti that Senator Tapscott had authorized this event. Mr. Fulk replied in the negative, adding that Mr. Tapscott's organization had advised the Fair Board that Mr. Scorpiniti would be its contact in regard to the arrangements for this event.

Representative Sorg referred to the net profit of the 1971 State Fair, as reported on page 18 of the 1971 State Fair Report distributed to Council members. He asked what disposition is made of this net profit. There was some discussion of this matter, at the conclusion of which Mr. Wagler stated that in effect the net profit realized from each annual State Fair is what the Fair Board operates on until the following year's Fair.

Senator Briles said that he is pleasantly surprised by the amount of interim activity which is taking place at the Fairgrounds, and expressed belief that the Fair is being operated in a very satisfactory manner by the Fair Board. He stated that he therefore sees no need for a legislative study of the Fair Board or the operation of the Iowa State Fair.

At this point Senator Palmer, who had left the meeting room for a short time returned and stated that he had just been advised that Mr. Joe Giudicessi of Des Moines and an associate, Mr. Dean Dalbey, are partners in two of the semi-permanent structures presently at the Fairgrounds and in a third which is now being constructed, and he described these three structures as constituting twenty-five percent of all of the semi-permanent structures on the Fairgrounds. Senator Palmer further stated that at this time Mr. Giudicessi stands convicted of federal income tax evasion and has been sentenced on that conviction. He asked whether, under the terms of the contract with the Fair Board, Mr. Giudicessi's legal difficulties have any effect on the tenure of the contract.

Mr. Fulk acknowledged that Senator Palmer's statements are essentially correct, adding that the contracts between the Fair Board and Mr. Giudicessi and Mr. Dalbey were entered into before anything was known by the Fair Board about the federal charges against Mr. Giudicessi. Mr. Fulk said he cannot immediately answer Senator Palmer's question regarding the effect of Mr. Giudicessi's conviction on the tenure of the Fair Board's contract with him and Mr. Dalbey, although Mr. Fulk stated there may be some provision in the contract relative to commission of felonies. However, Mr. Fulk stated that no complaints have been received against the concessions operated by Mr. Giudicessi and Mr. Dalbey as regards the quality of the food or service provided by them to the public. Mr. Fulk said some complaints have been received against other concessionaires, although not many in recent years.

Senator Palmer stated that over a month prior to the present meeting he had written to the Governor asking for a study of the policies of the Fair Board, and that to date he had received no reply. He expressed the view that this situation places an additional responsibility upon the Legislative Council to authorize a study of these matters by a legislative committee. He added that he believes the presentation at the present meeting indicates that some of the Fair Board's practices may be contrary to law, asserting that it is only since recent publicity about the Fair Board that it has moved to have its rules drawn up in form for submission to the Departmental Rules Review Committee.

Senator Palmer moved that the Legislative Council establish a study committee composed of three Senators and three Representatives drawn from the respective standing Committees on State Government to look into the operation of the State Fair and the

policies of the State Fair Board. The motion was seconded by Representative Blouin.

Representative Cochran noted the references, in the summary statement at the end of the booklet distributed on behalf of the Fair Board to Council members, to "innuendo" and "political opportunism". He asked whether Mr. Fulk would welcome what he termed a constructive study committee to look into the statements which have been made regarding the Fair Board and the operation of the State Fair. Mr. Fulk replied in the affirmative.

Representative Stromer stated he sees no evidence from the testimony presented to the Council that anything is wrong in the operation of the State Fair or the policies of the Fair Board. Representative Stromer added that the Council should not become involved in what he termed "witch hunts". Representative Cochran replied that his only concern is that the public not be under any misimpressions as regards the operation of the State Fair or the policies of the State Fair Board.

Senator Palmer briefly defended his proposal for a study of the Fair Board and the operation of the State Fair. Summarizing his earlier assertions, he added that it appears that twenty-five percent of the Fair Board's contracts for semi-permanent sites should be cancelled by their own terms. He stated that he believes the General Assembly has a responsibility to study the situation in regard to the State Fair and the Fair Board, particularly since the Executive branch apparently has no intention of doing so.

Senator Palmer's motion was defeated by a roll call vote of four to seven. Those voting yes were Senators Hill and Palmer and Representatives Blouin and Cochran; those voting no were Chairman Varley, Speaker Harbor, Senators Briles and Rhodes and Representatives Freeman, Sorg and Stromer.

Mr. Wagler, Mr. Fulk, Mr. Coughlon and Mr. Murphy then left the meeting.

It being necessary for Mr. Burks to leave the meeting, Mrs. Diane Bolender of the Service Bureau staff assumed responsibility for the minutes of the meeting.

Speaker Harbor presented a report of the previous day's meeting of the Legislative Procedures and Facilities Committee of the Council. A copy of the minutes of the Committee's meeting are attached to and by this reference made a part of these minutes.

Mr. Garrison reported that he has been successful in negotiating with Aspen Systems Corporation a contract for updating the computer tape Code of Iowa to bring it into complete conformity with the forthcoming 1973 Code, at a price of \$15,000 in accordance

with the Council's action at its previous meeting. Mr. Garrison expressed the opinion that this is a good price based on past experience and the cost estimate of other companies in the field. He added that Code Editor Wayne Faupel has agreed to send page copies from the printer to Aspen as rapidly as possible in order to facilitate Aspen's work. In response to a question from Representative Blouin, Mr. Garrison stated that the 1973 Code will be ready in time for use by the General Assembly in the 1973 session.

Representative Sorg moved that the contract with Aspen Systems Corporation, as outlined by Mr. Garrison, be accepted. The motion was seconded by Representative Blouin and unanimously adopted by a voice vote.

A list of citizen members nominated for appointment to the Regulation of Consumer Credit Charges Study Committee was distributed to Council members. A copy of the list is attached to and by this reference made a part of these minutes. On motion of Senator Hill, seconded by Representative Blouin, the list of appointees was unanimously approved by a voice vote.

A request was presented, on behalf of Senator Roger J. Shaff, Chairman of the Taxation Study Committee, that Representative Norman Roorda, who served as Chairman of the Tax Exemptions Subcommittee of the Standing Committees on Ways and Means during the 1971 interim, be appointed to the Taxation Study Committee. A copy of the letter making this request is attached to and by this reference made a part of these minutes. On motion of Representative Sorg, seconded by Representative Cochran, the request was approved unanimously by a voice vote.

It was agreed that the next meeting of the Council will be held at 10:00 a.m. on Wednesday, August 9, in the Speaker's Room, with a meeting of the Procedures and Facilities Committee to be held in the Speaker's Room on the previous afternoon.

Chairman Varley noted that the National Legislative Conference will be held commencing August 1. It is the policy of the Legislative Council to send members of the Council to the National Legislative Conference and Chairman Varley requested that those members who desire to attend the Conference contact Mr. Garrison and inform him when they expect to arrive at the Conference and the period of time they expect to be in attendance. It was noted that many items on the preliminary program for the Conference are items of interest to members of the Iowa General Assembly.

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On motion of Speaker Harbor, the meeting was adjourned at
4:00 p.m.

Respectfully submitted,

SERGE H. GARRISON
Director

PHILIP BURKS
Senior Research Analyst

DIANE BOLENDER
Research Analyst