

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

[LB435]

The Committee on Agriculture met at 9:30 a.m. on Friday, December 14, 2007, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on the LB435 interim study. Senators present: Philip Erdman, Chairperson; Annette Dubas, Vice Chairperson; Ernie Chambers; Merton "Cap" Dierks; Russ Karpisek; Vickie McDonald; Don Preister, and Norm Wallman. Senators absent: None.

[]

SENATOR ERDMAN: Good morning. Good morning. Welcome to the public hearing on LB435. I was talking as loud as I could, but you obviously can talk louder. Congratulations. Good morning. Welcome to the Agriculture's hearing on the study out of LB435 dealing with the State Fair. Before we get started, we'll do a little housekeeping. Also let you know that if you're standing around in here and want a chair, there's one next-door. The overflow room is the other hearing room across the hall and you'll be able to follow along with the proceedings there as well, and we'll be broadcasting throughout the Capitol as well on our closed-circuit system. I'll introduce the committee members and you have seen the schedule that is posted for the actual formal presentations, and following the formal presentations we'll then proceed to public comment. And we recognize that there's a lot of interest. Some of you may be here to observe, some of you may be here to testify, and regardless of why you're here, we want to make sure that you're able to follow along but also have the opportunity that you would like to have today and we're going to do our best to accommodate that. I'll introduce the members of the committee, both those who are here and those who are not. Next to Senator Preister will be Senator Chambers. I'm assuming he will be here. I haven't heard otherwise. Senator Preister is to my far right. He's from Omaha. Next to him, Senator Cap Dierks from Ewing. Next to Senator Dierks is Rick Leonard, our research analyst. To my immediate left is Annette Dubas. She's the Vice Chair from Fullerton. Next to Annette is Russ Karpisek. Russ is from Wilber. Next to him will be Senator Vickie McDonald and I don't recall where Vickie is from. Saint Paul? There we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

go. It is morning. It's 8:30 at home; it's 9:30 here. Senator Wallman is from Cortland. And next to Senator Wallman is Linda Dicken. Linda is our committee clerk. When you do come up and testify we will want to make sure that you have filled out a testifier sheet. They should be available at the back doors and, if you don't get one there, we can get you one. But we would like to have that before you testify, similar to what we have when we do a regular committee hearing during the legislative session, and that makes sure that we have a record of you and make sure that we spell your name correctly in the record because you'll be part of history. Someday somebody will read this, and we want to make sure that you have your name right. We also have a couple pages who will be assisting us today. We have Molly Keenan of North Platte. Molly will raise her hand and smile. And Alec Mizner of Norfolk. Alec will raise his hand and smile. And if you have information to hand out, they'll be happy to do that. If you have other needs, they'll be happy to try to assist you with that as well. We would ask that while you're in the hearing room here that you turn off your cell phones or at least set them so that the ringer doesn't go off. This is a transcribed process and so the transcribers will appreciate not having that go off in the recording devices. If you would like to testify, after the public presentation, again, we would encourage you to have your information filled out and ready to go. Before you begin your testimony, state your name, and if we can get you to spell it that would be great. Try to keep your testimony to the time frame that we have allowed, both those that are presenting, and when we get to the public comment period we'll determine how many people are here to testify and how much time we think would cover that, but I believe generally we've asked the presentations (sic) to restrict their presentations to 15 minutes, and I will stress, or less. We recognize that there's a lot of information that likely will be shared with us and, at the same point, there will be information that will be distributed to the committee at that point and we can read. So we would appreciate it if you give us the highlights in your presentation and we'll review that information as well. For the media who are here, the committee has no advance copy of any of the information we're going to receive today. I know some of you have asked for that. We do not know what's going to be presented today. You have actually probably told us more in your reporting than what we would have

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

known otherwise, so you probably already have more information than we do. We simply know who's interested in being here. The names that you have on the hearing schedule were the ones that contacted our office directly and said that they had information they wanted to present formally to the committee, and that's why they're on the list. There may be other individuals and, if that's the case, then we'll deal with that at the end of this scheduling. But we don't have any advance information, so we apologize for you that you'll have to sit through it like we will, but welcome to our world. We are grateful that you're here and look forward to a healthy discussion. And Senator McDonald has arrived. With that, we will have a minor modification to our schedule. Mayor Beutler has asked to share three to five minutes, and I stress that because he said he could do it and, as a former member, I'm sure he knows when the bell goes off. But he has a previous commitment that may preclude him from being here later and so, Mayor Beutler, we'll extend you the opportunity to open this process and the clock will begin when you state and spell your name. Thanks for being here. []

CHRIS BEUTLER: (Exhibit 1) Mr. Chairman, members of the committee, thank you for allowing me to be here. I want to begin by saying thank you. I should say members of the committee, friends all, right, Senator Preister? The committee has expended a great deal of time and energy on LB435 and has brought a number of key questions into focus. I am, relatively speaking, a latecomer to this recent debate, and I very much appreciate all the efforts that you and others have made to resolve this dilemma. I also want to thank both the State Fair Board and the university. Last month, Governor Heineman called on me to coordinate talks with these groups. The question posed to us was whether both the State Fair and the university could collocate at State Fair Park on a permanent basis. We had a productive discussion and reached the following conclusion, and I quote from the joint statement: "While expanding the shared use of existing space and facilities is possible, both parties acknowledge that plans for a permanent improved State Fair and a private-public research and development campus simultaneously located on these 250 acres is not practical." So that question, I think, has been put aside. As mayor of Lincoln, I would like both. I strongly support the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Innovation Park, as envisioned by the university. I believe that this research and development opportunity is key to both state and local job growth. This is the type of job growth that our community and our state seeks out and embraces. Research dollars fund top-notch university positions, and well-paying private jobs follow that attract young people to our great state and ultimately keep them here to live and to work and to raise a family. As mayor of Lincoln, I also support the State Fair. It is a wonderful Lincoln tradition that our city has proudly hosted, as you know, for more than 100 years. Personally, it has been an important tradition in my family as well. I took my four kids, I think, all together, over 15 State Fairs. Now, whenever I get a chance, I take my grandkids to the State Fair. We as a community also support the State Fair. In the past several years, we've gone there by the tens of thousands, and the city has contributed significant financial support in the form of our local match. This match reached almost \$290,000 last year. We as a community certainly do not want to alienate the fair or any of its fine representatives. To the contrary, it is my hope that we can continue the century-old partnership that has served both entities so well. All that being said, I believe that the city of Lincoln and the state need to come together to perhaps more fully answer important questions: Is there a better location in Lincoln, other than State Fair Park, for either the State Fair or the University Innovation Park? I simply am not able to answer that question with total confidence for you today. Is it a more suitable site for the State Fair at the 84th Street Lancaster Event Center campus? You will be hearing more about that proposal later this morning. If the committee were inclined to move the fair at this time, the 84th Street location is probably the most economically feasible site. Is there a better location in Lincoln for the fair, or for the Innovation Park? I cannot answer that question with confidence at this point. And so, ultimately, I come before you today to ask for the opportunity to continue discussions with the parties so that we can thoroughly explore the questions. I believe that with the good will of both the State Fair Board and university representatives, we can find a solution that will meet both of their needs. Such a solution will require complex negotiations and a comprehensive financing plan. To have any reasonable expectation of success, I believe the process will take us well into 2008. I recognize that taking this time is a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

luxury that you may not feel you have. I understand the desire to get the matter resolved. But I'm asking you to keep the door open for additional negotiations. I think they can be fruitful. I'm also asking you to be as involved as you would like to be as an institution in the negotiations. I've offered my assistance to the Governor on this issue in any capacity he deems necessary or expedient. I now make that same offer to you, if I can be helpful. I'm willing to facilitate further discussions. I hope you will afford all of us involved the opportunity to sort through the remaining questions. This can be worked out. In closing, I would like to thank you all again for the work you have done on LB435 and especially you, Mr. Chairman. You have, indeed, focused our community and the state on the key issues. You've done the heavy lifting. You've laid the groundwork for a solution that will recognize both the importance of preserving a tradition and the importance of key investments in our future. And the city of Lincoln...I know I speak for the city of Lincoln when I say that we all do indeed appreciate your efforts. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Chris. Any questions for Mayor Beutler? Senator Preister. [LB435]

SENATOR PREISTER: Mayor Beutler, thank you. I appreciate your working on this issue and trying to bring people together. My goal would also be to have a win-win situation rather than somebody wins and somebody loses. Having said that, I'd like to introduce a concept to you and get your response, but I'm also doing it for other people. We have essentially given up on the concept of collocating, but there could be another approach that might allow some of that. In Europe, they do festivals. You go to a community and things are going on in the festival all over that community. It's not centralized to a particular location. If we were to do a State Fair where anybody who wanted to have a part of that State Fair could, perhaps it would be different than any other in the country and allow everybody to participate. If Grand Island wanted to be a part of it, they had things going on in Grand Island during that time slot, i Omaha, Sarpy County, anybody who wanted to have a component. It would be a truly State Fair and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

any community could have a faction of it. The Innovation Park could play a role in that, I think, where you have the university doing a leadership role and having activities for young people in science, in business, in a fun concept where it's learning while having fun. On the site currently, other activities could be going on, agricultural things, anything that's currently a part of the State Fair, but anything that we wanted to be a part of the State Fair could be going on in any part of the state. Rather than focusing on a set location, as everybody always has, maybe we could look at a broader concept of the State Fair as an idea, as a concept. It's worked in Europe, it's worked in other places. Maybe it could work here. I would invite your comments. [LB435]

CHRIS BEUTLER: Senator, that's one of the things I like about this institution--original and novel thinking comes out of these discussions from time to time. I'm not...I'm not quite sure how to react to this new idea except to say that if it has validity in other places and has worked well, maybe it's something that should be a part of the discussion. If we can take the time to look at a variety of solutions, certainly the State Fair Board, I'm sure, would want to consider that, that kind of option. [LB435]

SENATOR PREISTER: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Preister. Senator Chambers. [LB435]

SENATOR CHAMBERS: Mayor Beutler, I want to say for the record, although when you were in the Legislature I enjoyed jousting with you, cooperating with you, learning from you, but I had no idea that I would miss you as much as I did when you no longer were there. But I have a question I'd like to put to you. By the way, I'm much older than you. They call me the senior member. They ought to just call me the old man. I have a question I'd like to put to you so... [LB435]

CHRIS BEUTLER: Being so nice to me, I'm assuming this question is going to be very hard. (Laughter) [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: But you missed my...I have a question I'd like to put to you, sonny. (Laughter) It might seem facetious, but how would the state be harmed, and I mean the state as a state, if there were no longer a State Fair as such? Each county or entity could put on whatever it chose, or even have a version of what Senator Preister mentioned. But if the State Fair as a state entity were to cease to be, how would the state, in the long run, be harmed by that, if you have an opinion on it? [LB435]

CHRIS BEUTLER: Well, if I thought about that a little while I'd have a number of opinions, I'm sure, but the first thing that jumps out at me is that the State Fair is, first and foremost, an agricultural event, and it's the showcase for agriculture. The children of agriculture come and show us what they've been doing. And it is probably one of the most important interfaces between the rural community and the urban community. I know that my children learned a lot about what goes on in the rest of the state and what kind of a state we are and what people rely upon for their livelihoods and what they do every day in their lives from... [LB435]

SENATOR CHAMBERS: Well, could such learning... [LB435]

CHRIS BEUTLER: ...from visiting the State Fair. [LB435]

SENATOR CHAMBERS: Could such learning and interfacing occur in a much more meaningful way if children from the urban area visited the rural or farm community, and vice versa, rather than having an artificial situation in an urban setting where what's going on has really nothing to do, to a great extent, with what happens in an urban setting? [LB435]

SENATOR BEUTLER: Yeah. No, I wouldn't disagree with that. If we had some mechanism for large change...large-scale interchange between real rural and real urban settings, that would probably be more beneficial. But I think there is great value to what

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

happens now. [LB435]

SENATOR CHAMBERS: Okay. That's all I had. Thank you. [LB435]

CHRIS BEUTLER: Uh-huh. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Further questions for the mayor? I don't see any. Thanks, Chris. [LB435]

CHRIS BEUTLER: Did I make the five minutes, Mr. Chairman? [LB435]

SENATOR ERDMAN: Well, you did, but we took an extra 15 to talk to you, so we'll take that out of the university's time, as I already told the chancellor. (Laughter) [LB435]

CHRIS BEUTLER: Thank you. [LB435]

SENATOR ERDMAN: Thanks. Would the representatives from the university go ahead and get their...I believe they have a PowerPoint presentation that they'll make. Before they begin, we have set up the same projector for all those that have a PowerPoint or other visual presentations to make. It will take a couple minutes between presenters to set that up for everyone. But I will caution you on this. When you make your presentation, make your presentation. We're not interested, regardless of what your time slot is in this schedule, we're not interested at this point in having you come up and critique the other presentations as well. We'd like to hear what you'd like to present to the committee. We'd like to have that information in a succinct and concise way, and if we have questions we will definitely ask. We're going to try to hold you to the 15 or less minute time frame that we're requiring, but again, we want to hear from you about your proposal. We don't want to hear from you about everyone else's proposal, what you think about that. There will be plenty of time for that at a later date. Mr. President. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

JAMES MILLIKEN: Thank you, Mr. Chairman. Good morning. I'm J.B. Milliken, president of the University of Nebraska, and I would not even consider critiquing Mayor Beutler's presentation. I appreciate the opportunity to be with the committee this morning and offer some thoughts on how I believe the university can help ensure that our state is able to provide the kinds of economic opportunity necessary for a high quality of life for Nebraskans. This university was created 140 years ago by the state to serve the people of Nebraska. Our goal is to be better at this than any public university in the country, and the best yardstick for measuring our success is what our impact is on the people of Nebraska. I take this responsibility seriously and if I didn't think the university's proposal for the use of State Fair Park was best for the people of our state, the university would not be here today. I believe we have the opportunity, not only to provide educational opportunity for Nebraskans, but also to help ensure that when they graduate from college there will be good, high-paying jobs available for them so they'll be able to stay in Nebraska, to live, work and raise families. This won't be easy. Every state, indeed every country, is facing the challenge of competitiveness in the global knowledge-based economy. This is an environment which we need to take full advantage of all the talent we have and leverage all the strengths that we have. To meet the challenge, every state is seeking ways to build its talent pool to create a work force with the education skills needed for high-paying jobs and to grow and attract businesses that would provide opportunity. In Nebraska, we need to employ a number of strategies to accomplish this. First, and our highest priority, is to expand access to higher education to more Nebraskans, including populations that have been traditionally underrepresented in college. It's critical not only because we have an obligation to provide educational economic opportunity, but because as a state we cannot afford to squander any of the talent we have. A second strategy, one related to our purpose in being here today, is to continue to grow the research enterprise, which has proven throughout the world to be a catalyst for regional innovation-based economies. We've had great success in recent years, doubling the volume of sponsored research and growing our overall investment in R&D to competitive levels. Much of this research is in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

areas critical to Nebraska's future--life sciences, biomedical, agriculture, alternative energy, water quality and quantity. A related third strategy is to leverage this research and our research institutions to help generate growth in the innovation economy. We have a new opportunity, because of the university's recent success in research, to attract and grow businesses that depend on new knowledge and high levels of talent. This is not a gamble, and we are not asking the state to take a risk. The concept of an R&D campus has been successful in a number of areas. The one with which I'm most familiar is North Carolina and its Centennial Campus. Members of the Board of Regents and I visited this fall to learn more about this model. North Carolina State University in Raleigh is an institution much like UNL. It has strengths in agriculture and engineering. It's a land grant university. In 1984, the state of North Carolina provided, at no cost, over 300 acres next-door to this campus to create a public-private research and development campus called Centennial Campus. One of the lessons from Centennial is that place matters. The proximity to the NC State campus and its faculty, its students and its resources has allowed this campus to succeed beyond expectations. It is now an international model. It's a 1,300-acre R&D campus now that's home to 1,600 government and corporate employees and private businesses, USDA labs, 3,400 students, and about 1,300 faculty and staff. The most recent development on Centennial is a 250-acre biomedical campus anchored by the College of Veterinary Medicine. Scientists and students there work together in animal health, food safety, genetics, pharmaceuticals, and biosciences. Now, I know as well as anyone that Nebraska is not North Carolina, and the Nebraska Innovation Campus would not be the same as Centennial Campus. It does not need to be. We have our own strengths and our own opportunities, and we can be successful by capitalizing on those. But we should be wise enough to learn what we can from others, we should be bold enough to think big, and we should be pragmatic enough to take advantage of the strengths that we have in Nebraska. We're already a national leader in many areas of research, and we have a potential to be a leader in others. We can attract private partners who want to employ our graduates, collaborate, or support research and benefit from the resources of a research university. We believe this is the right time to take advantage of the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

strengths of the university, to invest in a public-private initiative that leverages our strengths for the benefit of the state of Nebraska. The Governor expressed it well the other day: There is a clear choice presented to Nebraskans on the use of State Fair Park. We think the choice is clear. The best use of State Fair Park is for the Nebraska Innovation Campus. Now we ask all that we can of you; that you and your colleagues consider the choices before you and make the decision that you think is best for the future of our state. We appreciate the opportunity to be with you today to present testimony on this matter, to respond to your questions, and I will now turn it over to Chancellor Perlman. [LB435]

HARVEY PERLMAN: (Exhibit 2) Mr. Chairman, members of the committee, thank you. And thank the committee for your efforts in this regard. I have expanded testimony that I can distribute to you in a little bit. The issue you face today is whether you will take advantage of a unique opportunity, one that will benefit the State Fair, enhance the university and, more importantly, address two pressing needs of the state of Nebraska--keeping young people in this state and growing good jobs. Failure to take advantage of this opportunity will diminish the prospects for the State Fair, for the university, and for the people of Nebraska. The University of Nebraska-Lincoln proposed to create, on the current site of State Fair, an Innovation Park or campus, a campus designed to leverage the research of the university to attract private sector companies and to generate high-paying jobs. It is a long-term investment in Nebraska. It is modeled after similar projects at other universities with demonstrated success. The location of the property is uniquely positioned to utilize the research both on the city campus and the Institute of Agriculture and Natural Resources. The slide that's up there shows you how that property is adjacent to both of the campuses of the University of Nebraska-Lincoln. The central premise is that if the university were to create this campus, private sector companies would want to locate elements of their own research and development activities on the campus. There are many reasons why they would see this as an advantage. Their scientists and researchers could interact with faculty in the same field and, in doing so, advance the prospects of innovation. They could attract

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

highly trained interns from among our students, interns who could grow into permanent employees. Their employees could enhance their own education by taking courses at the university, as well as to help teach in courses taught by our own faculty. In technical areas, they might share expensive core facilities and instrumentation with university researchers. And the opportunity to cluster in one place with scientists from other private sector companies creates the synergies and energy out of which innovation emerges. Part of this plan would preserve the 4-H building, one of the signature and legacy buildings of the State Fair, as an educational center through which young people could access the scientists at the campus. We know this can be successful. As the president indicated, we've looked at Centennial Campus at North Carolina State. We know from their experience and from others that the single most-important factor in the success of this project is that they are adjacent to the campus of a major research university. If Nebraska is to fully leverage the research of UNL, State Fair Park represents the only realistic opportunity to do so. If we build it, will they come? UNL has tripled its research funding over the past ten years. Independent consultants have told us our research is as good as any research university in the country. The research we perform in using laser technology in medicine and national security, our food processing center, our alternative energy center, and our transportation center all provide prospects, among many others, to attract commercial companies. Indeed, we have been approached in recent months by one company which has asked if we would permit them to build a research facility on the East Campus so that they could interact with IANR scientists. We are making efforts to attract them and, if we do so, that will bring 20 scientists and approximately an \$8 million private sector investment in facilities. How much will this all cost? Others will present their proposals for moving the State Fair, the cost of doing so, and how it might be financed. The costs associated with the Innovation Park are not fully know. We expect that either the university or private developer will incur some infrastructure costs, including roads and sewers. Those are costs that would have to be borne by the State Fair if it's to prosper and to stay on the property. We expect a significant portion of the build out of facilities to be at the expense of the private sector. Public research facilities will be constructed, as they have in the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

past, with a mixture of federal funding, private philanthropy, university revenues and, where appropriate, appropriated tax funds. The committee's consultants have demonstrated that significant dollars must be invested in State Fair Park to preserve the State Fair as a successful institution. I believe there are alternatives at other locations that would broaden the opportunities for the State Fair to serve agriculture and Nebraska. Thus, again, the choice is not between the State Fair and the university. If you choose to retain the status quo and not pursue this opportunity, the university will continue to prosper as a research university, but it will be more difficult to leverage that research for the benefit of Nebraska. If you choose to retain the status quo, I feel that the State Fair will face significant challenges in upgrading its facilities and achieving financial stability. If you choose to retain the status quo, you may lose the opportunity to keep our young at home and to advance economic growth. This is not something you should do for the State Fair or for the university. It's something you should do for the people of Nebraska. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Chancellor Perlman. [LB435]

HARVEY PERLMAN: And now I would introduce John Brasch, who has been a faculty member, a entrepreneur, and currently leads our technology development enterprise. [LB435]

SENATOR ERDMAN: John, why don't you spell your name for us before you begin, and I will...I'll say you have about four minutes. [LB435]

JOHN BRASCH: (Exhibit 3) Sure. My name is John Brasch, B-r-a-s-c-h, and the John is J-o-h-n. [LB435]

SENATOR ERDMAN: Okay. [LB435]

JOHN BRASCH: Thanks. Could I ask that you go back to the prior slide? That's great.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Thanks. I've come with three brief perspectives in support of UNL's initiative to create a research park on the site of the fairgrounds. First, I lead the office which seeks to commercialize faculty inventions at the university. Second, I'm the founder of Senior Technologies Inc., an electronics company selling products to healthcare providers. Senior employed 250 people at the end of my ownership of the firm in 2002. The company is now owned by the Stanley Works tool company and continues to operate here in Lincoln. I'm a past faculty member also, who did his teaching and research, and on the side started a company that grew, and I paid bucket loads of taxes to Nebraska. To begin, a research park adjacent to campus is an attractive idea to business. Recently, in my current capacity representing the university in discussions with industry, I visited and asked a California-based licensee of ours if a research facility in the research park at the State Fair location would be of interest to them. The answer was, yes, with a specific reference to two named faculty members that they wanted to work with. Separately, one of our licensing managers met last month with a prospective licensee and was told of their successful relationship with a Texas university to which they had paid more than \$40 million in royalties, and with which they were undertaking \$5 million worth of ongoing sponsored research agreement. That's huge. They took the initiative to ask us if there might be some way they could work more with the University of Nebraska. When I heard that of course I was delighted. I invited them just yesterday to come to our campus, mentioning the idea of the research park and asked them if that might be of interest to them. They said definitely yes, and they said it would be okay for me to mention that today in this session. Shifting gears, as the founder and architect of strategy for Senior Technologies, I can tell you that location was a critical element of my business model. In its entire 20-year history, Senior Technologies Inc. has always been located within blocks of campus. For the last ten years it has been on North 20th Street, immediately south of the railroad tracks, the same tracks that abut the State Fairgrounds, and that's why I asked for this. Do we have a pointer? There's Senior Technologies, right there. [LB435]

SENATOR ERDMAN: John, you've got about one minute. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

JOHN BRASCH: Yeah, less than that to go. In short, my former company is the immediate neighbor of the proposed research park. The benefit of that location was our exceptional ability to use student workers in our sales, finance and engineering--that ability greatly enhanced by our location so close to campus. The simple point is that that specific location near campus was deterministic in 1995 of my deciding to move our offices to that facility, in lieu of all other options. Finally, putting on my tattered old hat of a faculty member from many years ago, who had entrepreneurial tendencies, I can also affirm that I never considered any location for off-campus work that was not essentially adjacent to campus. Time efficiency was an absolute driver of my activity. I had no time for unnecessary travel between the classroom and off campus...in an off-campus venue. In ending, I want to leave you with a short history of Eric Hunzeker, a former student from Humboldt, Nebraska. Eric is now just 30, still in Nebraska, and he's earning a six-figure executive income with a bright future ahead. Should you talk to Eric, he will tell you of the importance of UNL and of Senior Technologies, and of the proximate location of the two in his career development. Eric personifies the vision I trust you have for Nebraska's future. And I have more on Eric in my printed text. Thank you. [LB435]

SENATOR ERDMAN: Okay. Thank you, John. If you need copies of that, we can have copies made, or if you've brought them, we can... [LB435]

JOHN BRASCH: I have brought them here. [LB435]

SENATOR ERDMAN: Okay. We'll ask one of the pages to distribute that. Before we go to questions, those of you that may be in the doorway looking for seats, there are seats available, or there is an overflow room next-door. And if somebody is gracious enough in here and has a seat next to them, wants to raise their hand, so if somebody wants to sit down they can see what's available. It looks like there's at least four or five open seats. Any questions from the committee of the members of the university? Senator

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Wallman. [LB435]

SENATOR WALLMAN: Thank you, Chairman Erdman. I'd like to ask the Chancellor a question. You know, I think you're on the State Fair Board. Right? [LB435]

HARVEY PERLMAN: I am, yes. [LB435]

SENATOR WALLMAN: Are you interested in keeping the State Fair? [LB435]

HARVEY PERLMAN: Absolutely. [LB435]

SENATOR WALLMAN: And I think we all know real estate people, location, location, location, and so I appreciate you being here and testifying. [LB435]

HARVEY PERLMAN: Senator, I appreciate the question. I do understand that some have questioned whether I care about the State Fair. [LB435]

SENATOR WALLMAN: Yeah. [LB435]

HARVEY PERLMAN: And I would just like to confirm that in the years 2003 and '04, when the State Fair was just about bankrupt, this university funded its utilities to about \$300,000 to keep it afloat. And it was my initiative, along with Mayor Seng and Governor Johanns that ended up forming a committee that ultimately got the lottery proceeds for the State Fair. I care a great deal about the State Fair. I think I care about it enough to try and be realistic about its financial future and the challenges it faces at State Fair Park, and I think that ought to measure the care of individuals with respect to the continuation of the State Fair. They project a \$2 million operating budget for the next two years. They have significant infrastructure and building deficiencies, and I worry about how that's going to come about. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR WALLMAN: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Senator Preister. [LB435]

SENATOR PREISTER: I was...I guess this would be a follow-up to Senator Wallman's question, Chancellor Perlman, or perhaps to the president as well. Your willingness, as the university, to cooperate with the State Fair in however this may unfold is important. People see the university as big and powerful and maybe kind of pushing the State Fair out of things. Could either or both of you comment on your willingness to work with the State Fair and any cooperation, in addition to what you're already doing, Chancellor? [LB435]

HARVEY PERLMAN: Yeah. Well, Senator, as I said, both personally and as the chancellor of the University of Nebraska-Lincoln, I care about the State Fair. There is a long history associated with 4-H, which is a University of Nebraska-Lincoln program, and that's a culmination of a lot of 4-H activity. So we've been deeply embedded in the State Fair for a long time. There are some opportunities, certainly at the 84th and Havelock location, where we also already have some research facilities, where we might be able to bring plant agriculture back into the State Fair. So we're looking at ways and have looked at ways and have worked hard to find ways in which we can advance the idea of a State Fair, which is not only, I think, as always has been, to bring agriculture to an urban environment, but I think the State Fair could be much more than that. It reflects what's going on in the state of Nebraska. It's our kind of time to celebrate the advances that the state is making. And there are other areas, including the technology developments and other aspects of both agriculture and nonagriculture that could be a part of that and the university has tried and certainly would continue to participate in those kinds of collaborations. [LB435]

SENATOR PREISTER: Thank you. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Thank you, Senator Preister. Senator...okay. [LB435]

JAMES MILLIKEN: I would only add, since the senator asked, about ten seconds. The university has a long and rich heritage with the fair, as Chancellor Perlman has mentioned, and its relationship with the fair is led through the University of Nebraska-Lincoln. I am aware of Chancellor Perlman's commitment to a successful fair in the future and I certainly support that. [LB435]

SENATOR PREISTER: Thank you. [LB435]

SENATOR ERDMAN: Senator Dierks. [LB435]

SENATOR DIERKS: Yes, I just come at it from a little different angle. I appreciated the statement that Mr. Brasch pays bucket loads of taxes because I think many of us do, and so my concerns are with the advent of building a...facilities, private sector companies, where does the taxpayer of Nebraska fit in on this? Is there...is there...I mean I understand, we've seen what goes on with the budget process. We know that there's always difficulties with the budget process for the university and how are we going to satisfy the needs of these companies that are going to be the facilities at this research park? Are those buildings going to be built by the companies? Are they going to be owned by the university? What is going to be the responsibility of the taxpayers in this state with regard to this whole process? [LB435]

JAMES MILLIKEN: I'll start with a broader response to that, Senator, and if the Chancellor wants to follow up with particulars with regard to the Innovation Campus proposal that would be a good idea. I believe strongly that the state of Nebraska needs to grow its revenue side. If we cannot cut our way out of difficult fiscal environment, we need to find more ways to grow the economy and grow the state of Nebraska. The impetus for this proposal is ways to leverage the university for the benefit of the state in terms of growing the economy here and adding, in part, to the tax base to support the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

necessary infrastructure of this state. With regard to the public-private nature and who has obligations financially here, the proposal that's been on the wall envisions about two-thirds private sector. My expectation would be that those would be long-term ground leases with facilities developed with private funds and supported by private companies. The universities facilities would be constructed and maintained in the way that they have been in the past. If you look at the ten-year history of university building, new building and major renovation, we've done over \$1 billion worth of construction and approximately 15 percent of that has come from the General Fund. The largest single share of that has come from privately contributed resources, but there are other sources as well. And I don't see that picture changing a great deal over the future and we have no expectation that the state of Nebraska would be supporting this entire venture with tax funds, and certainly not the private side of it. But the bottom line for me, the most important part of this is the opportunity to grow the economy, the opportunity to provide high-paying jobs, the opportunity to keep Nebraskans here and attract others here to take those jobs and to build the economic base of our state. [LB435]

SENATOR DIERKS: Thank you. [LB435]

HARVEY PERLMAN: I guess I would just underline that certainly the private sector building, it's our (inaudible), would be built by the private sector. If a company wants to come and be near our university then they're going to have to build the facility. They're going to pay at least market rates for the land, which is a revenue source to the university, and the private investment and the jobs that are created is a contribution to the tax base of the state of Nebraska. [LB435]

SENATOR DIERKS: Mr. Brasch, do you have any comments? [LB435]

JOHN BRASCH: Only that my comments about paying taxes to the state of Nebraska really wasn't stated in the form of a complaint. It was...I only paid taxes because I made money. But my point was, is that a company that came out of the university indirectly

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

over time, that employed 250 people, with all of those people paying taxes, as well as the company paying taxes, made a significant contribution, and that's what I believe...that's part of my vision of what I believe can happen in that particular specific location based on my decision making that I really wanted a facility close to campus. It worked well for me. [LB435]

SENATOR DIERKS: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Dierks. Senator Chambers. [LB435]

SENATOR CHAMBERS: Before I ask a serious question, I want to lighten the mood, if I can. Mr. Brasch, there was a strong inclination to make your name a part of a pun to describe our proceedings, but I'll resist it. (Laughter) [LB435]

JOHN BRASCH: (Laugh) It's happened before. [LB435]

SENATOR CHAMBERS: I know, and it would be old to you. You mentioned something about a young person making a six-figure salary. Did I hear you correctly? [LB435]

JOHN BRASCH: That's correct. [LB435]

SENATOR CHAMBERS: Are you aware that I'm an old person and I make a six-figure salary, except after four of them there's a decimal point that precedes? (Laughter) Now I'd like to ask the chancellor a lighthearted question first. You were at the heart of the football holocaust. That's what it amounted to, to Nebraskans. You mentioned 4-H. Did those letters stand for help, help, help, help? Now here is my serious question. You are on the Fair Board. You're the chancellor of the university. They are at cross-purposes here, although people may prefer not to describe the situation in that way but I'm going to be blunt. You've heard the story of The Lady or the Tiger, or the lady and the tiger--two doors, you have to go...you have to open one. In mythology there was a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Scylla and a Charybdis--a whirlpool on one side of the narrow passageway of water, rocks on the other, and you had to go through, so you're between a rock and a hard place. As the chancellor and a member of the Fair Board, if a decision had to be taken where one would go away and the other would remain, which would remain? [LB435]

HARVEY PERLMAN: Senator, I've actually had to address that and willingly addressed it. First, let me just put my answer into context. I am not a volunteer on the State Fair Board. You folks put me there by legislation. [LB435]

SENATOR CHAMBERS: But when duty calls we must respond, so however you got there (inaudible). [LB435]

HARVEY PERLMAN: Well, I try and abide by legislative decision making every time I can. So I'm on the State Fair Board and I think, until this controversy arose, I think I, as I indicated, I did work pretty hard on behalf of the State Fair. Since this controversy arose and it became increasingly awkward to be in both camps at one time, I wrote the chairman of the State Fair Board and indicated that if I could be of assistance on any issue other than this that I was still available; that I did not feel that I could resign because the Legislature put me there; that I did not feel I could delegate this responsibility to somebody outside the university, because that's why they put me there and that wouldn't help matters; and that so I would withdraw from any State Fair Board consideration of issues related to this topic, and I have done so. [LB435]

SENATOR CHAMBERS: Now I'm going to phrase the question a different way. Which do you feel plays a greater part in the health and future of the state as a state: the university and the role it plays, or the State Fair? [LB435]

HARVEY PERLMAN: Clearly, the university, Senator. [LB435]

SENATOR CHAMBERS: That's all I would have. Thank you. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Thank you, Senator Chambers. Senator Dubas. [LB435]

SENATOR DUBAS: Thank you, Senator Erdman. Thank you, gentlemen, for being here this morning. You know, the university's plan definitely is one with vision, and that's what we need to have as a state, is vision. And the State Fair plan also is one with vision. My question is kind of a follow-up to what Senator Dierks asked. We're looking at a major project for the university, as well as a major project for the State Fair. Is this too much for our state to take on at one time, especially if we're looking to the taxpayer to help us fund either one or both of these? [LB435]

JAMES MILLIKEN: Well, I guess I'll start on that. In my view, the answer is no. In my view, as I stated in my testimony, Nebraska needs to think big, needs to act boldly if we are going to create the kind of economy in this state that we want to have, that we want our children and grandchildren to inherit, that we want to keep Nebraskans here to live and work. So I think we need to think big. I think this is a...it's a big vision, but every other state, every other competitor of ours is thinking big right now and we cannot afford to be complacent. I think we've put forward a plan for the use of this, the development of it, by the university that involves really a minimal level of General Fund investment in the Innovation Park, given the return that I believe is possible for us. So I think this, as I said before, I do not believe this is a gamble. I do not believe this is a high-risk proposition. I believe this is one where we can look around the country and say we're not really breaking new ground; we're learning from what others have already done and taking the best examples of that, whether it's in North Carolina or Texas or Kansas or Iowa, and putting that to work for Nebraskans. Now I'm not expert on the...I'm not a member of the State Fair Board--I'm not asking to be appointed, by the way--but so I have to defer to the chancellor, who has expertise in that area, but as I understand it, there are a number of people who will follow us with proposals for how to host a State Fair and to do it economically. And so I'd have to defer to them with regard to the investment that you all would make in a State Fair, which...but I've read both the reports

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

to this committee and it appears that you have a substantial investment ahead of you whether you keep the fair where it is or decide to locate the fair in some other place. I've also seen some of the information presented about moving the fair to 84th Street and that plan appears to me to include a minimal level of public investment and leveraging a great deal of other investment to get the job done. [LB435]

HARVEY PERLMAN: Well, I guess I would respond the same way, Senator. I think Nebraskans clearly care about taxes and about investing their resources carefully, but Nebraskans have always had big visions also. They built this building during the Depression. This is a big vision. You properly should sit back and see what the total cost to the state is going to be, but as the president indicated, I think there at least are some proposals that would allow the fair to prosper at a different location with little public investment. And the vision that we're talking about is one that will require some, but it's not going to be done overnight. It took Centennial Campus in North Carolina State 20 years to get to where they are now. I think it will take us less, but the returns from those investments, I think, can be very substantial. [LB435]

SENATOR DUBAS: Thank you. Oh, I would agree that the returns, you know, there's definitely potential there for returns. Not quite sure I would agree with that we're not taking a risk. You know, I just think about my farming operation and, you know, we do a cash flow every year and I can always make my cash flow look really, really good. It's as the year progresses that the cash flow doesn't match reality. So that's where my concerns come in is, you know, it might be easy for us to make this commitment up front because it is a great idea and it does have a lot to offer to the state, but I guess as a legislator, I've got to look down the road, too, and what happens if we get private sector in and then all of a sudden they're thinking, well, you know, maybe we need some help, maybe we need some tax dollar helps or something along that line. And then where are we at? So the questions are not easy, nor are the answers. Thank you. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

HARVEY PERLMAN: Right. And I agree with you, Senator, but I think the other thing that's always the hardest to contemplate and to calculate is, what are the consequences of not doing it? We've spent a lot of time in Nebraska...I'm a Nebraskan and I've been here for a long time. I've heard the concern about brain drain and keeping young people in the state forever and ever. This is an opportunity to do something about that. [LB435]

SENATOR DUBAS: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Dubas. Senator Karpisek. [LB435]

SENATOR KARPISEK: Thank you, Senator Erdman. President, do you know what was on the 300 acres in South Carolina before Centennial Campus? [LB435]

JAMES MILLIKEN: I have a...I have a rough idea. I will...I also know what was on the main campus of North Carolina State before it expanded, and that was the North Carolina State Fair, which was then moved west of there to allow expansion of North Carolina State on that property. The property that eventually became Centennial Campus was owned by the state of North Carolina. It was used for a hospital grounds and mainly for developmentally disabled. It was a large tract of land that had been given to the state and I think it had been used also for a variety of miscellaneous purposes--warehousing, storage, that kind of thing. There were a number of competitors, I will say, for that property in the state: private sector, the Department of Agriculture wanted to use it in the state and others. And so they, I believe, also faced a difficult choice about what to do with that property. It was not a no-brainer to provide it to the university. [LB435]

SENATOR KARPISEK: My other question is do we have...don't we have a research center now that's not as close to campus? [LB435]

JAMES MILLIKEN: We do. We do. We have one off the interstate that the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Nebraska...University of Nebraska Research Park, and we thought long and hard about whether that property and the trajectory that it is on will meet the needs of the state of Nebraska and allow us to fully leverage the university's strengths, and we have come to the conclusion--the Chancellor and I and, in listening to John's testimony, I'm guessing John, too--that one of the most important lessons that we've learned as we looked around the country is the importance of proximity and place, the importance of having faculty and students and employees in the private sector be in close proximity. Our students can serve as interns. Our faculty can do sponsored research. Their employees can have continuing education opportunities. They can have other access to resources at the university--use of the library and other kinds of things that we could make available. So we think that the attractiveness of proximity is a very, very important consideration. [LB435]

SENATOR KARPISEK: Okay. Thank you. Thank you, Senator Erdman. [LB435]

SENATOR ERDMAN: Thank you, Senator Karpisek. Gentlemen, I appreciate you being here and the work that you have done. Most of the questions that I have, have been answered. I guess the obvious one that sticks out to me, and I look around the room and there are folks that are from a different time zone, as I am, and recognize that what happens in eastern Nebraska doesn't always reflect in the policies of western Nebraska or, more importantly, the research needs that we have in western Nebraska aren't always reflected in the efforts being made in eastern Nebraska, because you can't simulate the climate, the environment, those types of things. You've put in quite a bit of effort of developing the Innovation Park and I think you had to do that. I think that was the responsible thing for you to do. At the same point, though, how do you...how do we square, as Nebraskans, the need to not only provide this adjacency to the existing campus, the main campuses, with the efforts of reducing or the impacts of the research in places like Scottsbluff and North Platte? Is it your vision that this Innovation Park would enhance those? Is it your vision that this should take priority over those? How do you put those two together? Because as I understand the land grant mission, you're a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

statewide campus. You're not just three communities that have buildings and a Med Center. You're 500 miles and all in the entire state. So I guess the obvious answer is out. The questions about the fair will come next, but I mean I'm just...that was the initial observation that struck me as we've spent a lot of time on this new research park, but I don't know that we've spent the same type of focus on some of those existing research facilities. And I understand some of the reasons, but I'd like your response. [LB435]

JAMES MILLIKEN: I will respond and invite the chancellor to join me, who has direct responsibility for the Research and Extension Center in the Panhandle and others across the state. I do not believe this is a zero sum game. I do not believe this is a "lady and tiger" choice between a research innovation campus contiguous to UNL, and serving the needs across the state of Nebraska, which is indeed our obligation and our mission. I believe that the research done and the kinds of economic activity generated in connection with this will be based on the strengths of the University of Nebraska today, and those involve, to a great extent, the strengths in the life sciences and agriculture and water and alternative energy and areas where we believe it's important to the entire state of Nebraska that we grow our research capability and we capitalize on that. So I think this is a...this isn't taking our eye off the ball in the entire state of Nebraska, but I do believe that we have to be able to keep a couple of things in our heads at the same time. I mean us; not you. But we have to be able to do things across the state of Nebraska that are important for those regions. Economies in Nebraska and throughout the world are based on regions that have often very little to do with geographic borders, political geographic borders. We probably need a set of strategies for different regions in Nebraska and they're not going to be the same in each case. They're going to be strategies that are appropriate and helpful for that region to maximize its potential in terms of economic growth and attractiveness for people to stay and live there. So I guess the bottom line for me is that these are not alternatives. These are things that we need to pursue. At the same time, we're going to continue to pursue in Omaha growth at the Medical Center and the research success there. We're going to continue to pursue around the UNO campus the growth of the Peter Kiewit

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Institute and the soon to be four buildings for government and private sector. They're there simply because of the location of that institute. So I believe we need to have strategies in place that benefit the entire state of Nebraska and that's our obligation. [LB435]

HARVEY PERLMAN: I guess I would just add that I don't regard these not only as not competing but I don't regard them as different. Clearly, we have an obligation to all of Nebraska and this university has invested considerable resources in the Panhandle Research and Extension Center which serves the Scottsbluff area and certainly the west central, which is in North Platte. But if you think about the nature of what agriculture, for example, will need going into the future, some of it will be in terms of applied research. We just built a new research feedlot in Scottsbluff that's going to contribute immensely to the cattle industry in western Nebraska. But in the future, the question is going to be also whether we can look at the genetic makeup of cattle, whether we can assure against disease of cattle, whether we can find crops that can grow in increasingly drought areas, whether we can find mechanisms to use the agricultural products of western Nebraska to make energy, whether we can find ways to make roads safer through our transportation center, roads that are probably as critical if not more critical to rural areas than to urban areas. So there is much research to be done physically in western Nebraska and we just had a major NSF grant of \$2 million to study water and wind in the Sandhills. Prem Paul just got back from Washington. There's great excitement about a potential large grant again in the Sandhills to look at climate change. So we will have a physical presence in the west, but I don't think you should think that just...that the research we do on the city campus or in the Institute of Agriculture relates only to urban environments because much of it is directed towards trying to improve agriculture across the state of Nebraska. [LB435]

SENATOR ERDMAN: And, Chancellor, I think that's right. I think the burden, however, still remains on the university to be able to get out and to share that with those folks. And I'll just, for the record, point out the university didn't build the livestock facility in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

western Nebraska. Ninety percent of it was financed by the local producers in that area. The university provides the staffing, which you've just hired the feedlot specialist, but there's no guarantee that the current beef specialist or the beef extension agent is going to be retained out there. So it's an ongoing process. We recognize that. That's not why we're here today. The only observation that I guess I have on your proposal is how do we know what the return on our investment is going to be if we don't know what the cost is to construct it? We don't know what it's going to cost and we probably won't know over time. We can only know what needs to be in place to ensure that the cost to the taxpayers isn't there. One of the obvious costs is that for you to do this the State Fair has to have a new site, wherever that is. [LB435]

HARVEY PERLMAN: That's correct. [LB435]

SENATOR ERDMAN: Is there any discussion or has there been discussion about, in addition to what the university views as their cost, is there any interest in the university assisting? We gave a small amount of money to some folks from the foundation to help us with another issue that we had recently. Have there been any discussions from the university's standpoint about how they may facilitate an alternative site for the fair in order for the university to get what they believe is in their best interest? [LB435]

HARVEY PERLMAN: Senator, I think that some of those ideas will be reflected in some of the proposals that you'll see today. [LB435]

SENATOR ERDMAN: Okay. Very good. Any other questions? Senator Chambers. [LB435]

SENATOR CHAMBERS: Thank you, Mr. Chairman, and you led the way to this; otherwise, I wasn't going to bring it up. [LB435]

SENATOR ERDMAN: (Laugh) My apologies. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: No, that's all right. Chancellor or Mr. President, the foundation has more than \$1 billion. Doesn't it? [LB435]

JAMES MILLIKEN: It has assets that exceed \$1 billion, yes. [LB435]

SENATOR CHAMBERS: Is it limited by law or its charter or anything which cannot be adjusted to spend only interest? [LB435]

JAMES MILLIKEN: It's limited in most regards and I believe the CEO of the foundation is here so may want to respond to that question himself as well. But it is limited in most cases by contract with donors who make a gift and restrict the use of that gift to the proceeds from the endowment to be used for a particular purpose. And I believe the last number I saw was over 90 percent, maybe 93 or 94 percent, of the funds held by the foundation are restricted by their donor's gift for a specific purpose. [LB435]

SENATOR CHAMBERS: So if we said \$1 billion, the would be \$900 million that is restricted. What would it be restricted to, spending only the interest? [LB435]

JAMES MILLIKEN: Generally, the gift agreements outline what's spent and it is...and the interest on that are of 4.5 percent, I think, expenditure rate. [LB435]

SENATOR CHAMBERS: Okay. Are all of the donors still alive? [LB435]

JAMES MILLIKEN: No, they are not. (Laughter) [LB435]

SENATOR CHAMBERS: So if that donor's wishes were not complied with, what would happen? [LB435]

JAMES MILLIKEN: You know, you're probably getting out of my...well, my area of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

expertise, but... [LB435]

SENATOR CHAMBERS: Okay, then I won't (inaudible). [LB435]

HARVEY PERLMAN: Well, the Attorney General would sue us... [LB435]

JAMES MILLIKEN: Yeah. [LB435]

HARVEY PERLMAN: Senator Chambers. [LB435]

SENATOR CHAMBERS: The current Attorney General? [LB435]

HARVEY PERLMAN: (Laughter) Well, any Attorney General. [LB435]

SENATOR CHAMBERS: Because if that's the case, if that's the case, you don't have a thing to worry about. (Laughter) [LB435]

HARVEY PERLMAN: Somehow I didn't think that would satisfy you. [LB435]

SENATOR CHAMBERS: Okay. That's all I have though. [LB435]

JAMES MILLIKEN: If I could...even though that's all you have and I hesitate, this is...everybody in the room knows now poor judgment I'm exercising to respond further to a question, but the foundation, the gifts to the foundation support, by and large, those things that I think this body and all of us would want to have supported, and you do support with your tax dollars. They support the building of public buildings on university campuses where tax dollars are not available to do that. They support scholarships for students. [LB435]

SENATOR CHAMBERS: Would that be a part of the university campus if it were to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

come into being, this Innovation Park? [LB435]

JAMES MILLIKEN: Would what be a part, Senator? [LB435]

SENATOR CHAMBERS: This Innovation Park, would that become a part of the university campus? [LB435]

JAMES MILLIKEN: In our view, it would be. Yes, it would be managed by the University of Nebraska-Lincoln. [LB435]

SENATOR CHAMBERS: Then if the money from the foundation can be spent to construct buildings on the university campus, there could be some foundation money to help construct buildings. [LB435]

JAMES MILLIKEN: I would, in fact, anticipate that there would be University of Nebraska Foundation fund-raising to support University of Nebraska research facilities on that campus. [LB435]

SENATOR CHAMBERS: And not only fund-raising for new money but existing money, based on what it could be spent for, if constructing buildings on the campus is a part of what is allowed. [LB435]

JAMES MILLIKEN: Most of the gifts for funding those buildings are designated by donors when they make the gift and they're used for that purpose, so there's not generally a pool of funds available to build new buildings, but I expect that they would raise new funds to support the construction of buildings for the university, yes. [LB435]

SENATOR CHAMBERS: Okay. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Gentlemen, thank you.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Appreciate you being here. [LB435]

JAMES MILLIKEN: Thank you. [LB435]

SENATOR ERDMAN: Our next presentation will be from the city of Grand Island and we'll have them come forward and we'll again be using the same laptop and projector, so if you have loaded your presentation ahead of time, which it appears you have, that will help. We have...it's upside down. We have an easel, but that may be just as easy if you set it down there. Can you see that? Do you want to see it? (Laugh) Also, those of you that are, again, standing in the doorways, if you see open seats, feel free to inquire as to whether or not you may sit there. If not, the overflow room is across the hall in the adjacent hearing room. And again, before you...before each of you testify, go ahead and state your name. You don't have to do it at once. It would help, before you speak, if you introduce yourself. That way it follows the process. So whichever representative from the community of Grand Island would like to speak, go for it and... [LB435]

DONALD DUNN: (Exhibit 4) Thank you, Mr. Chairman. Members of the committee, my name is Don Dunn. I'm the incoming chairman of the chamber of commerce for Grand Island, and it's a pleasure to be here. Timing, of course, is everything, and we get the dubious distinction of following the last group that, you know, are professional and polished and meticulous in preparation, and we're just here to visit with you for a little while and try to give you some ideas and thoughts and reasons on why it makes sense to move the State Fair to Grand Island. I'm a Nebraska native. I've spent all my life here. I went to the University of Nebraska, up through and including law school, and I've learned a few lessons in my now advancing years, a couple of which I think are applicable to this proceeding. And one is that most issues are simple. I would suggest to you that when people try to make things complicated and complex, they really don't want you to know what you get to when you cut to the quick. Now, that being said, the second rule is that don't confuse simple with easy. Most decisions are hard, and you have difficult decisions to make, you have difficult issues. The issue here, as we see it,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

is that you're talking about an allocation of resources and how best to allocate resources available, limited as they may be, and how can you leverage existing resources to make the best use from the state's perspective. Another lesson I've learned in life is that when you begin something, you ought to start at the beginning, and as we sat down to decide how we make a presentation to this committee we thought, well, we probably ought to start at the beginning. The beginning--what is the purpose of the fair? And you can read the purpose of the fair. I think the things that jump out at me when you look at that purpose, it's for the people of Nebraska, people of all of Nebraska. Agriculture is right up front and I think, as Mayor Beutler properly noted, that the agriculture is an important part of what the State Fair is. It also requires that we look at our common culture, we look at our roots, we look to the land. We're back to agriculture. Why then Grand Island? Well, here are a few reasons that we think Grand Island is an appropriate place to move the fair: centrally located, it's in the heart of the agricultural trade center. I don't want to read all of these. I think...I think...and one thing that's important is what's the capacity of Grand Island. Grand Island hosts Husker Harvest Days. It's the largest irrigated farm show in the world; a huge success each year. Has been going on for many, many years. We have major facilities already in place. I think the other important ingredient is not only is it right geographically and practically, it's the right direction because the community and its shared commitment to embrace and make the fair more successful. It's in the right place. It reaches out to Nebraska, not just the eastern corridor of Nebraska but all Nebraska. It's a major industrial center. We have a draw of over 300,000 people that come and shop regularly in Grand Island. Not only is it the right place, it's convenient and it's accessible. We have three interchanges from Interstate 80. We have a regional airport. We have over 1,400 motel rooms just in Grand Island. That's not including as we reach out further in the central Nebraska region. We can increase that number dramatically. We could double that number easily. I think that it's important to understand what we are and where we are, and it's also important to understand what we have. And to address those issues, sitting to my immediate right is Jay Vavricek, who's the former mayor, current business owner in Grand Island, and he's going to address the issues of what's available, currently available, in our location.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

[LB435]

JAY VAVRICEK: Thank you, Don. And once again, Chairman and senators, it's a pleasure to be here and talk about why Grand Island makes sense to go ahead and be a viable alternative to the current State Fair as we see it today. [LB435]

SENATOR ERDMAN: Jay, can I get you to spell your last name? [LB435]

JAY VAVRICEK: Absolutely. It's similar to Karpisek. I think it's "Smith" in Czechoslovakian or something but it's, yeah, it's V-a-v-r-i-c-e-k, and a broadcast radio owner in Grand Island and Kearney, North Platte, Ogallala, Scottsbluff-Gering, as well as McCook, and also proudly served four years as mayor in Grand Island. In terms of Grand Island, Don, why don't you flip the next slide, we need to go ahead and once again make sure you know so you can make a viable recommendation. We're talking about the Fonner Park Complex, which was organized over 55 years ago for the Hall County Agricultural Society to provide exhibition space, livestock facilities, as well as the home of the Hall County Fair, knowing that its livelihood would go ahead and be perpetuated with the success of thoroughbred horse racing. It has done admirably for the last 55 years and provided a community facility that we envision today could be utilized for the home of a new State Fair. You will notice there's several components that I'll go ahead and elaborate. Of course, it's centrally located within the state. We have interstate access, a five-lane road leading to Fonner Park itself. But it's unique in the sense that there's already existing livestock facilities, already a 4,500 seat grandstand, a five-eighths oval racetrack, but also a brand new, year and a half old, 7,500-seat arena in the Heartland Event Center. So when you look at one site that has easy access but also proximity to all the different components, as we understand the fair is today, there's a lot of different things that we can leverage. You'll also notice that there's ample development opportunities in ground that's currently in or nearby Fonner Park as well. You'll notice that we have Big Red Barn, the event center, livestock exhibits, Thompson Arena, an outdoor arena, all different components that right now

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

could be utilized for a State Fair exhibition. Fonner Park grandstand itself, we'll go ahead and touch on that because there's actually three levels. There's a concourse level, the mezzanine. There's also the level upstairs which is currently utilized for different events. But on the site you'll see that once again years ago we've had 10,000 people in attendance at Fonner Park. You look at the grandstand; already 4,500 seats, climate controlled; 19 different barns will hold 1,200 livestock stalls as well. Home of the Hall County Fair but, once again, ample room for site improvements and adjacent parking. Next, you'll look at the component of the Heartland Event Center. We're very, very proud that it's come together through the efforts of so many great people over the years in or near central Nebraska, that's now created a 170,000-square-foot facility. We've had concerts there. We've hosted presidential visits. We'll have a monster truck show there within a couple months, but with our staging exhibitions. And if entertainment component is direct by the State Fair Board, in the best interests of serving the people of Nebraska, once again, it's a climate-controlled, state-of-the-art facility where we can do so. The final component of the Heartland Event Center is there's also adequate space for further exhibition space in the Bosselman Conference Center, because in addition to the Eihusen Arena itself, this is adjacent to and self-contained in the Heartland Event Center. So once again, a lot of flexibility there to go ahead and, once again, earmark exhibitors but also the livestock component and celebrate agriculture, which is really why Fonner Park was created in the first place--to be able to provide that service to Nebraska but also as an event center in Grand Island and central Nebraska. Don will conclude here with once again earmarking the fact that it's an honor to address you. We look forward to the opportunities ahead and continuing the discussion. [LB435]

DONALD DUNN: We believe that the fair is about community, the great community of Nebraska, but it's also about, in our endeavor, the community of Grand Island. Listed here are partners that have worked with us, assisting in the preparation to make a presentation to this committee and are fully supportive of the endeavor that we are undertaking to move the State Fair to Grand Island. I would also say that we have many

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

people in the audience who are here, including our current mayor, Mayor Hornaday, who are here because they support this endeavor. In the shortness of time, we don't...I'm trying to listen to the Chairman's remarks,... [LB435]

SENATOR ERDMAN: You have about five minutes, Don. [LB435]

DONALD DUNN: ...I'm not going to read through these summary of reasons, but as you look at those, I want to talk about the other issue. And some probably will be asking about the elephant in the room--where's the money? And I think it's an important question. We think it's a premature question. You have received...you've commissioned and received a report from consultants. They've come up with some suggestions and ideas. I don't know if anyone or everyone agrees with those recommendations to improve the State Fair. I will tell you, we think it's presumptive for us to say what they're suggesting is right and to do what they're suggesting, we need to do this, this and this, and this is how you get it all done and this is what it's going to cost. I'm just a Nebraska boy and when I see the opinion of two guys, one from Texas and one from Tennessee, I'm not willing to treat it as gospel. What's the State Fair Board think? We haven't heard from them. We haven't heard from you. And I think until we know what is entailed, what should be entailed in a State Fair to revamp it to make it successful, you can't address all of the facilities. We do know that we have many. We've been in contact with representatives of the State Fair Board. We've invited them to come to Grand Island. I think they're going to take us up on it. We certainly hope so. We want to show them what we have. We want to encourage them to communicate with us about what changes, how could we modify it, what needs to be added, what can we live with the way it is. We invite all of you to join us in Grand Island and come and look at our facilities, come and look at our community. We're proud of it and we think you will find it to be an exciting place and a great place to hold a State Fair. And before I forget, we are in agreement with many people, some which I'm sure you will hear later from today this morning, that we do need a change in state statute and we hope that someone will introduce legislation to change the state statute that says the State Fair must be held in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

the city of Lincoln. If we're going to have a meaningful discussion about where the fair should be held, let's level out the playing field. Let's not presume it has to be in Lincoln. Let's look to where other great places in this great state could hold that. Finally, when one objectively looks at the current facilities of State Fair Park and compares them to the existing facilities immediately available in Grand Island, our facilities in their current state are, at a minimum, as good, and we believe better, than the current facility. There's no other site in this state that can make that statement in good faith. Are improvements required at both sites? Probably. Depends on exactly what's needed. That's a discussion we believe needs to be held. We welcome the opportunity to work together with you, with the State Fair Board, and with the university to collectively determine what improvements are needed and how we can ultimately finance those needed changes. If there are competing interests for the current facility, for the current facility location, which obviously there is, common sense would suggest that we look to an alternative for one of the competing uses. We have a comparable facility, a community willing to embrace the fair, and a willingness to work cooperatively to make it successful. That's not something currently available anywhere else. We encourage you to make the right decision, keep the conversation going, come out, meet with us, bring the State Fair, if they won't come--I think they'll come willingly, and let's decide how we can make a successful State Fair in Grand Island. It truly is the right direction. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Don and Jay. Cindy, thank you for coming as well. Are there questions from the committee? Senator McDonald? [LB435]

SENATOR McDONALD: Having put together your proposal which covers all of the parts of the Hall County State Fair and the...or Hall County Fair and the amenities that are already in place, looking at your proposal, you talked about additional improvements and additional parking area. Can you explain what part of the picture that you're working at that has the yellow marks? Or, you know, for additional parking, where would you go? Is there land available that would accommodate growth? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

CINDY JOHNSON: My name is Cindy Johnson. I'm the president of the Grand Island Area Chamber of Commerce. Thank you, Senator McDonald, for that question. As Don puts the PowerPoint to the right area, I'd draw your attention to a couple of different locations on the map. Currently, you see the parking area is here in the middle of the property, the Fonner Park Complex area. We would envision that this area would all be available for redevelopment or new development. While the buildings that are there may be sufficient for the State Fair, they may also not be located where the State Fair Board would wish them to be, the optimal location. So there's certainly opportunity to do some relocation here. The parking would be relocated that's currently here, would be relocated to allow for additional construction of facilities or to provide for the midway. The recreation fields down here, although they are currently in place and well used and we would hate to take them out of the equation for the location of the State Fair, could be relocated and this area would be, then, available for development. Probably as important as anything else are vacant lands to the north, east, and south of the existing facility that would be available for additional parking or development. [LB435]

SENATOR McDONALD: Thank you. [LB435]

DONALD DUNN: I might just add the red line is...encompasses Fonner Park Complex. That complex size is roughly equivalent to State Fair Park in acres. They're both plus or minus 250 acres. [LB435]

SENATOR ERDMAN: Senator Chambers. Sorry. [LB435]

SENATOR CHAMBERS: Thank you, Mr. Chairman. That study that was put together gave a figure of 450 acres as the ideal size for a model State Fair. Do you feel that more than 250 acres would be needed to provide what would be required to accommodate an operation that would not operate forever in the red? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

DONALD DUNN: Senator Chambers, I think that's a very fair question and my response would be that, as a good lawyer should say, I don't know, and the reason that... [LB435]

SENATOR CHAMBERS: Well, if you don't then that's an honest answer. [LB435]

DONALD DUNN: ...the reason I don't know is because what should the State Fair look like? [LB435]

SENATOR CHAMBERS: (Inaudible) answered it, because I'm not trying to trap you. I just... [LB435]

DONALD DUNN: No, I...but if I may,... [LB435]

SENATOR CHAMBERS: Not if you don't know. (Laughter) [LB435]

DONALD DUNN: ...I think you have to right-size the State Fair, and when you right-size the State Fair so we can be economically viable and stand on its own, how large does it take? If it takes 450 acres, we believe that there's 450 acres undeveloped in proximity to the fair that we could do it. [LB435]

SENATOR CHAMBERS: That would have been my next question. Okay. One other thing: When a lawyer, you are a lawyer,... [LB435]

DONALD DUNN: I am. [LB435]

SENATOR CHAMBERS: ...begins with the "awe shucks, I'm just from here" or "I just," I'm very watchful and attentive. (Laughter) So the question I would ask you is this. [LB435]

DONALD DUNN: As a fellow lawyer, I understand that. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: Well, I'm trained in the law but I'm not a lawyer. I won't take the bar or join their organization, that nefarious organization. (Laughter) You were not suggesting that because somebody who is reputed to have expertise is from a state other than Nebraska, that expertise is presumptively inferior? [LB435]

DONALD DUNN: Absolutely not. [LB435]

SENATOR CHAMBERS: Okay. That's all that I would have. [LB435]

JAY VAVRICEK: And excuse me, Senator Chambers. In follow-up indirectly to your question about available acres and so forth, I think we should point out that this map is in the heart of the city of Grand Island. It's about 15 minutes away from the site of Husker Harvest Days so...and that annually attracts 100,000 people. And once again, as you look at what we've demonstrated in Grand Island to support agriculture throughout the state with attendance of Husker Harvest Days, potentially there are some opportunities where we can indirectly leverage opportunities for other people to come to the fair in close proximity to separate dates for the Husker Harvest Days. [LB435]

SENATOR CHAMBERS: You mentioned the location. In Lincoln, that fair, to me, is an anachronism. It can impede necessary development in an urban area. I'm just being blunt while you all are here so others who may have an interest will know my view. This is what I actually think about the fair being in Lincoln: I don't care about the fair, / Whether here or whether there. / Were it to vanish in thin air, / It would not make me turn a hair. Meaning that at some point it's going to not be there. If this is the time when we're discussing all possibilities and you've put an option on the table, I think we need to do that. With me having made that statement about my opinion, so you know the questions might all be (inaudible), if one of the focuses, if one of the main reasons for the fair existing is to commemorate or memorialize or honor or recognize agricultural

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

achievements, culture or whatever, would it make more sense to put it in an area like Grand Island than to have it in the heart of a city, a growing metropolis with buildings almost tall enough to make you get a crick in your neck if you stand and look at the top of them long enough? [LB435]

CINDY JOHNSON: We believe so. Grand Island is, as the presentation alluded to, the heart of the community, the agricultural community. We have a number of ag-oriented businesses in our community that make their living from the agricultural economy. We have Case-IH, MFS/York, Chief Industries, all that are very active in agricultural business. We also are home to meat processing plant and food processing, again, agricultural oriented. The State Fair was chartered with the idea that it was recognition of the excellence of agriculture for the state of Nebraska, and with that premise we believe that there is a compatibility or a synergy having the fair in Grand Island, the heart of the agricultural area, rather than in Lincoln. [LB435]

SENATOR CHAMBERS: You knocked the socks off everybody from the big city when you used that word "synergy," and you come from the area you mentioned. [LB435]

CINDY JOHNSON: And I'm not a lawyer. [LB435]

SENATOR ERDMAN: Which probably enhances your credibility. Other questions? Senator Wallman? [LB435]

SENATOR WALLMAN: Thank you, Senator Erdman. Whoever it may concern, has the Hall County Fair been successful as far as financialwise, or is it financed through bonds, or property tax? [LB435]

CINDY JOHNSON: It has been, and there's a representative here from the Hall County Fair that can speak to that later on. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR WALLMAN: All right. Thank you. Thank you, Senator. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Senator Preister. [LB435]

SENATOR PREISTER: Thank you, Senator. Could you help me understand your motivation for wanting it there? I think you've made a good case for bringing it there, but why do you want it? [LB435]

CINDY JOHNSON: We looked, first, or listened first to the discussion and the debate that was taking place in the Legislature last spring when the study was commissioned. And it seemed to us that the issue was first solved, in some part, when the electorate voted to allocate lottery funds for the State Fair; that there was an interest on the part of the residents or the citizens, voters, of the state of Nebraska, to have a State Fair. That says, and solidifies the intent and the desire of the community in the state of Nebraska to have a State Fair. So our next question was: If this is on the table, if the issue of relocating the State Fair is on the table, should we not be a part of that conversation, knowing the facilities that we have available today, that are in place today, could be of service to the state of Nebraska and to the State Fair. So we began our conversations and discussions around the concept of whether we had something to offer to the state and to the State Fair, rather than from the perspective of what it could do for us. Agriculture is very important in Grand Island, and so our population base, our people, our neighbors, our friends, our acquaintances, are very supportive of anything that has to do with strengthening agriculture. That's how we approached the issue. We've run the very successful Husker Harvest Days for over 30 years. In fact, a couple of the gentlemen in the audience today have been around the Husker Harvest Days for close to the 30 years that it's been in inexistence, and they can confirm that agriculture is very important to the community of Grand Island. We would like it there because the State Fair deserves the respect and a home where it is wanted and appreciated. We know that there are some benefits to a community from an economic standpoint, of hosing or homing the State Fair. We're certainly not immune to that. We think it would be good for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

the community of the Grand Island. We think it would be good for the tri-cities area: the Hastings and Kearney area, as well, and the communities in between. We know that when Husker Harvest Days goes on, those communities benefit from having an attraction of that size, as well as what we do. And we have heard from numerous communities and individuals to the north, west, south of us, who are encouraging us to go ahead and submit this proposal and this presentation in support of locating the State Fair in Grand Island, an area that is easier for western Nebraska to attend the State Fair, northern Nebraska to attend. So we've been encouraged by that support as well. [LB435]

SENATOR PREISTER: Thank you. That was a very full and complete answer, and I appreciate that. You did add the economics because you represent the Chamber obviously. But you didn't start with that. You started with what was good for the state, what the people said in a vote, and I appreciated that approach. Having heard that, my concept of having some of the fair in Grand Island, whether Husker Harvest Days is a part of that, Grand Island can be a part of it, the tri-city area that you talk about, Kearney having some aspects of it. We've got the agricultural component. The animal component is very different than the plant component. We've got urban folks very interested in plants, not only those you can eat but those that you can enjoy the esthetic beauty of: the flowers. The concept of having various areas all over the state having segments sanctioned perhaps in some way, and I just thought of this the other day--you know, those drives between Omaha and Lincoln get long and your mind tends to go different places--but to have a dual State Fair where the arts are a part of it, the performing arts, the vocal arts, all of those things can be a part of a greatly expanded State Fair, and everybody, every community who chooses to participate in that, through the State Fair Board in some capacity, would have these opportunities. So we're not limiting it to one location, and we're not saying to other communities, hey, you're out of luck, we're in, you're out. Everybody benefits. Which sounds like it's in keeping with the first part of your answer where you're looking at what's good for the state and how we can be more inclusive. I would welcome any comments or your thoughts. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

CINDY JOHNSON: I listened with interest to your suggestion or idea of having a nonspecific State Fair, and I think that's a suggestion worthy of discussion. I don't have a lot of information on that and would feel incapable of responding. [LB435]

SENATOR PREISTER: I appreciate that honesty. Thank you. [LB435]

SENATOR ERDMAN: I think Senator Preister is just lobbying you. I don't know that he is asking you a question. (Laughter) Before we go on, Senator Wallman, I think you asked a question about the Hall County Fair. I believe you're the representative from them. Can you state your name for us and briefly answer Senator Wallman's question? [LB435]

DOYLE L. HULME: I am representing--my name is Doyle Hulme--I am representing the Hall County Fair Board and the Hall County Livestock Improvement Association. [LB435]

SENATOR ERDMAN: Doyle, can you spell your last name, please? [LB435]

DOYLE L. HULME: H-u-l-m-e. And the Livestock Improvement Association is the one that has Fonner Park. It was established in the '40s as a means of utilizing horse racing and to provide a facility for the county fair, which we have done, and successfully done, particularly with the introduction of entertainment along with the other facets of the local county fair. It's been a plus. [LB435]

SENATOR ERDMAN: Your financial statement operating in the black? [LB435]

DOYLE L. HULME: We are operating on a break-even basis. We try to do that on the basis of what kind of entertainment can be utilized and appreciated and paid for. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Okay. [LB435]

DOYLE L. HULME: But we're in the black. [LB435]

SENATOR ERDMAN: Thank you, Doyle. Senator McDonald. [LB435]

SENATOR McDONALD: I just have a statement to make, and I appreciate Senator Preister's comment about having different aspects of the State Fair all over the state. I think we do that already. I think that we do that with our county fairs. Every county has a fair, and because of that we all come together at one location. So I think the concept is already there, but we need the finale as the State Fair to appreciate what our county fairs do. Thank you. [LB435]

SENATOR ERDMAN: Senator Chambers. [LB435]

SENATOR CHAMBERS: Ms. Johnson and gentlemen, and whoever else may be interested, it's clear, I think, that we're dealing with a political issue. If the law needs to be changed, and it must as was pointed out, in order that the fair must be located in Lincoln; if the law must be changed to do away with that, we're dealing in a political environment. Chairman Erdman mentioned that when it comes to certain research activities, there is a great concentration on the eastern part of the state, the eastern end. Maybe the fair could be something in the nature of a consolation prize to the other part of the state, which more logically would be an appropriate home for an activity such as the fair. The reason I say that, when a man was running for the U.S. Senate, he had to try to figure a way to get some votes from western Nebraska. There was much discussion of prison building. So over my strenuous objection, he had a facility built in McCook. There was no need for it. It was so underutilized that last session the Legislature had to create some different uses for it. That was a purely political decision that had nothing to do with penology or anything that should drive the placement of a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

prison. The difference here is that the part of the state which Grand Island would be an essential segment of is like an appropriate receptacle into which we would place something that appropriately belongs there. Here's the question that I want to put to you all, and you can answer it or you don't have to. Are you considering the political aspects of what it is we're dealing with? Because it's one thing to speak of the fair in the abstract, talking about reinforcing a common culture, and so forth. The reality is that there are political forces at play, there are political sides that have been drawn. So--and I'll make a rhetorical question so you don't even have to answer--have you considered the political aspects of it, and if you haven't, my recommendation would be that you do. And when you do, to that gentleman in the center, because the gentleman who said his name is like Senator Karpisek, and he's gone, I was going to ask him, is the similarity between his name and Senator Karpisek's name the similarity between Smith and Smithe, and if so, then I would call him Senator Karpisek, and Senator Karpisek, however you pronounce that gentleman's name. [LB435]

SENATOR KARPISEK: Vavricek. [LB435]

SENATOR CHAMBERS: Fabergé? [LB435]

_____: That would be fine, Senator. [LB435]

SENATOR CHAMBERS: I (inaudible) enough. Thank you. I'm going to end on that note. (Laughter) [LB435]

DONALD L DUNN: I do want to say, Senator, that we certainly understand there is a political issue. And as I mentioned as the outset, these are...I think this is a very difficult but simple issue. It's a matter of resource allocation, and when you get to resource allocation, certainly there are political ramifications because we're dealing with a public body. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: Here's what I mean. Have you talked to the Governor's Office at all yet? [LB435]

DONALD L DUNN: WE have not talked to the Governor. I should speak for myself: I have not talked to the Governor. [LB435]

SENATOR CHAMBERS: Okay. But it might be a...you know, it might not hurt to at least nod in that direction. (Laughter) That's all that I have. [LB435]

JAY VAVRICEK: I think at this point we are just wanting to provide information to this committee so you can make an informed recommendation. We appreciate your point; well-taken. [LB435]

SENATOR CHAMBERS: To whom...? Who are we going to make a recommendation to? [LB435]

JAY VAVRICEK: I understand this will come forward then to the full body of the Legislature at some point. [LB435]

SENATOR CHAMBERS: Bingo. [LB435]

SENATOR ERDMAN: Senator Chambers would be happy to escort you to the Governor's Office later. (Laughter) [LB435]

JAY VAVRICEK: So noted. (Laugh) [LB435]

SENATOR ERDMAN: Much, much later. Thank you for coming. I believe you have information to... [LB435]

DONALD L. DUNN: Mr. Chairman, we have for each senator a copy of the PowerPoint,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

as well as a short video of Grand Island. If you haven't been to Grand Island, it also gives some more pictorial information with regard to the Heartland Event Center and Fonner Park. [LB435]

SENATOR ERDMAN: Fair enough. Appreciate your effort. Thanks for coming. [LB435]

JAY VAVRICEK: Thank you very much. [LB435]

SENATOR ERDMAN: Do we get to keep that as a consolation prize for being here? Our next presentation will be from the city of North Platte. All right, we'll reconvene. It is 11:15. The city of North Platte, you are next, and you'll have 15 minutes. [LB435]

LISA COX: All right. Thank you, Senator Erdman and the Ag Committee. Thank you for letting us present today. I would like to introduce our committee members. I am Lisa Cox. I'm the executive director of the North Platte/Lincoln County Convention and Visitors Bureau. To my right is Jim Hawks; he's the city administrator. And Judy Pederson; she's a councilwoman with the North Platte City Council. [LB435]

SENATOR ERDMAN: While you're introducing, why don't you go ahead and have them spell their names. Jim, how do you spell your last name? [LB435]

JIM HAWKS: H-a-w-k-s. [LB435]

SENATOR ERDMAN: And Judy? [LB435]

JUDY PEDERSON: P-e-d-e-r-s-o-n. [LB435]

SENATOR ERDMAN: Okay. Very good. Or you could put it up on the screen for us so we can all see it. (Laugh) [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

LISA COX: (Exhibit 6) We thank you again for letting us come before you. Our interest in becoming the home of the Nebraska State Fair is based on our past experiences. As the home of NEBRASKAland Days, Buffalo Bill's State Historical Ranch, the Rail Fest, the Golden Spike Tower and Visitor Center, and many other successful endeavors that we have held in the past, we feel that the addition of the Nebraska State Fair to North Platte is only a logical extension of our history, plus our deep agricultural background. Not only our central location in this state and positioning at the intersection of Interstate 80 and U.S. Highway 83 will be a great location, in reviewing the criteria that we have evaluated in selecting the new site, we feel that we can meet all or at least a greater share of what you are looking for in a new home for this event. We would be able to provide for more than 1,500 motel rooms within five miles of the existing site. No other competition or usable exhibition space is available within 30 miles. There is also more than 458 acres available for development, with additional land adjacent to selected sites for future expansion and development. All of that land has rectangular configuration that can be accomplished. The compatible land uses patterns that would be a plus in consideration of available sites. Our topography and soil conditions are such that they lend themselves to construct the utilities that are either already available or readily available to the sites. The proximity to commercial lodging and restaurant facilities is not a problem. Our accessibility is one of the major components of our site. We are accessible to the interstate or highway system. We have an exit off I-80. That exit number is 179. Off another exit, 177; U.S. Highway 83; U.S. Highway 30; and a future exit off of I-80. We also have secondary accesses of several county roads or city streets available to get people in and out of our community. The visibility of these sites for (inaudible) sites would be a great benefit to attracting interest in various attractions and events onto those properties. And I'll let Jim Hawks talk about the properties available. The red light is your... [LB435]

JIM HAWKS: I would also like to thank the senators for the opportunity to come in and talk today. The gentleman before us said he was just a lawyer from Grand Island. I'm just an old dirt engineer from North Platte; I currently serve as the city administrator, but

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

I was the county engineer and the county surveyor for Lincoln County for about 15 years prior to that, so it gives me somewhat of a better insight to some of the land that we have available out in our area to serve this purpose. One of the sites that we are looking at, and I'll use the pointer here to try and delineate this, there is a full section right here that I'm outlining, 640 acres that is currently in private ownership. Our development corporation owns about 80 acres right here. So this tract would be something that would be available and would meet the criteria that your consultant put down in their study. Utilities are there. You have access off of Highway 83 over here. You have access off what we refer to locally as of Newberry Access, over here, which serves the Wal-Mart distribution center which sets right in this area. As you can see, visibility from Interstate 80, as well as Highway 83, would be excellent. The other purpose that Newberry serves is the connection back into the city of North Platte, with U.S. Highway 30. So there's also traffic coming into the community on Highway 30. This is a developed area which provides a lot of motel rooms and a lot of restaurant facilities. Mid-Plains Community College is down here; the Game and Parks Commission here; and the University of Nebraska West Central Research and Extension Center is right in this area, so the ability to develop a lot of synergies in there with other agencies to bring a lot of interesting developments to a possible State Fair Park in this area. We didn't limit ourself to one site because we feel that we have several that would fit the ticket when you're looking down through the criteria. So if we can go to the next one. Okay. This is the second site that we were looking at, and this has a lot of potential partners that we could look at working with if we would be successful in a bid for the State Fair in North Platte. First and foremost, I would point out to you that this is part of the Bailey Yards, the largest sorting yard and classification yard in the world, of the Union Pacific Railroad. This area right here is the home of NEBRASKAland Days, one of the successes that Lisa talked about just briefly there in her presentation. Right across the street from it is the Lincoln County Historical Society, which is the home of the North Platte Canteen exhibit. This area right here is the Scouts Rest Ranch State Historical Park. They own about 40 acres in this area: the home of Buffalo Bills' Scouts Rest Ranch. This area going up into the river, and including a good number of acres of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

(inaudible) land, also belongs to the Nebraska Game and Parks Commission, and has been developed into some camping areas over here. Again, NEBRASKAland Days owns about 40-60 acres in this area, an area right here that is still in private ownership; and then over here we find again the Lincoln County Ag Society, the home of the Lincoln County Fair. If you see there, the area that is currently owned by entities that we would be able to partner with in this area already exceeds the 450 acres that was the recommendation of your consultant. There would be additional land that could be looked at here, and there has been talk of some further development of some of this land up towards the North Platte River by the Game and Parks Commission. But this site would have access primarily by U.S. Highway 83 and the network of city streets and county roads in that area. But again, a very good site in the fact that we would be able to partner and create synergies amongst a lot of different entities that have shown success in western Nebraska. The next site that we have that you see on the map here, and it's something that we've already kind of talked about today, but it would be the area right here. This area is the, at least a portion of the land that is currently owned by the University of Nebraska for the West Central Research and Extension Center. And a lot of that land, again in excess of the 450 acres, would be land that would be developable. The slopes and the soil conditions would be great. The city has utility systems out here that would be able to provide the necessary sewer, water, and power. So again, another site that would allow us to work in conjunction with the University of Nebraska as they further their efforts at looking at the expansion of the campus here in Lincoln. But this again comes clear down; a lot of property there, all owned by the University of Nebraska that could be used for future expansion in that area. We also have an area out in the western part of our community that abuts along Interstate 80. We currently have, in this area again, sewer, water, and power utilities. And actually this picture should have went a little further west. This is a section line coming right down here, and we're currently in the process of negotiating for right-of-way along here to put in a new overpass to tie our community together, known as our South Buffalo Bill project. Approximately a mile west of there we did a study about five years ago, and it indicated that we needed another interchange on the interstate. So what that would do is provide two different

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

interchanges: the one on U.S. Highway 83 here would be within a mile of this site from the east; and the one on what we call locally, Homestead Road, would be on the west end of this property. That's a half-section that you're looking at there. There's another quarter of ground setting over here to the west of that, that could also be used for that. So again, an area where we could definitely meet the future requirements that are called out in the proposal by your consultant. So as you can see, one of the things that North Platte has to offer, not only its ties to agriculture, its ties to the University of Nebraska and other agriculturally-related businesses, is the fact that we have wide-open spaces. And yet those wide-open spaces are served by infrastructure, being sewer, water, electricity, roads and streets, and those also being in the proximity of some of the other amenities that you would be looking for, we definitely feel that the city of North Platte would be someone that would be very interested should this committee decide to make a recommendation to the Legislature to move the Nebraska State Fair out into an agriculturally-related area of our state. And we do think that makes sense.
[LB435]

JUDY PEDERSON: Both Jim and Lisa have touched on some of our events that we have, and I just wanted to highlight NEBRASKAland Days--oh, Judy Pederson. We do have a strong ability to draw people to our big events. And of course our biggest one is NEBRASKAland Days, and it's been a success now for over 30 years. We draw over 120,000 people from 66 of the 93 counties, as well as 17 states. And I believe that part of the reason that we draw so many people from so many of the counties in Nebraska is because of where it's located. It is so easy for so many people to get there because it's centrally located. And the draw from the 17 states, I think is very important in that we want to market our State Fair to other people. If we have events that draw from other states, that's additional revenue into our state, and we want to make that happen, as well. We also have a strong skilled labor pool and an affordable labor pool. There are 1,700 unemployed and 5,000 workers currently employed who are interested in changing jobs, and that would give us a labor pool of 6,700. And there are 39 percent of the employers stated that the availability is good to excellent. Sixty-five percent of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

employers state that the availability of unskilled workers is good to excellent. And our level of pay is lower in our labor shed than average of other areas of the country, which would make it good for the State Fair. Ninety percent of the employers reported their workforce reliability is good to excellent. We have a strong work ethic and we feel that that is important for our area. And I think Jim is going to finish off with some possible funding sources. [LB435]

JIM HAWKS: We've heard is said here in front of the committee today that this is probably somewhat still of a work in progress. We have reviewed the recommendations that your consultant made, and as was stated before, we're not certain how that would progress and how that would move in there. Be we at the city of North Platte do have a couple of things that we would be willing to discuss should we get the opportunity to move to that phase of this project, and that would be such things as our North Platte Quality Growth Fund, which is something that could be used, at least in part, with the approval of the city council, to help with the development and the financing of this project. The Lincoln County Convention and Visitors Bureau also has certain funding that would be available to them, that with the proper approvals could also be made available to help work on bringing this project out into our area. We realize that there are still a lot of unanswered questions, and we would just like the opportunity to be able to further our discussions with this committee, and if they were to make a favorable recommendation to the Legislature, to further explore the possibility of moving the State Fair from its current location. [LB435]

SENATOR ERDMAN: Great. Thank you, Lisa, Jim, and Judy. Senator Chambers.
[LB435]

SENATOR CHAMBERS: I have a couple of questions. The first presenter mentioned that there would be 1,500 rooms within a five-mile area of the first site that was put up there. How many rooms are in North Platte itself, if you know? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

LISA COX: Fifteen hundred-plus. [LB435]

SENATOR CHAMBERS: Oh, okay. [LB435]

LISA COX: And we're expecting a new hotel to start building this spring, so we exceed that. [LB435]

SENATOR CHAMBERS: So this area is (inaudible) within five miles of North Platte itself, or the developed area of North Platte where you have these rooms located. [LB435]

LISA COX: In the city limits of North Platte there are over 1,500 hotel rooms. [LB435]

SENATOR CHAMBERS: So with the wide-open spaces there would be plenty of room for parking, for sure. [LB435]

LISA COX: Yes. [LB435]

SENATOR CHAMBERS: And the buildings that might have to be constructed would be paid for, just generally speaking, not in any detail, how would that be accomplished? [LB435]

JIM HAWKS: Senator Chambers, again I think that it would take some more definitive plans. It would take some further research in exactly what we would want the State Fair to look like as we bring it out. [LB435]

SENATOR CHAMBERS: That's good enough, because I don't want you to be too specific, because there is no need at this point for you to be. I was just curious as to whether you had thought about this aspect of it. Okay, thank you. Oh, one other thing. Why is low pay put up there are something that's good? You know, a selling point

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

(inaudible). [LB435]

LISA COX: That would be related to constructing the facilities and maintain...we know it's not good, we all know that, but it helps you bring down the cost of construction of the facilities. [LB435]

SENATOR CHAMBERS: And who are the people who would most likely be getting these low wages out there? Come on; level with me. [LB435]

SENATOR ERDMAN: Former state senators. (Laughter) Senator, I said former state senators. [LB435]

SENATOR CHAMBERS: Oh, that would be (inaudible) for us. (Laugh) [LB435]

SENATOR ERDMAN: Or maybe current. I guess maybe we could volunteer. [LB435]

SENATOR CHAMBERS: Because I think there are 1,500...there were quite a few people up there who would fit in that category, and there are not that many state senators. [LB435]

JIM HAWKS: I think that most of those people, Senator, would be either unemployed people or underemployed people who would be looking at the possibility of job creation through a project like this, which would allow them to improve their financial position. [LB435]

SENATOR CHAMBERS: Is there any population group that most of them would probably come from? [LB435]

JIM HAWKS: Not that I'm aware of. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

JUDY PEDERSON: No, not in the North Platte area; no. [LB435]

SENATOR CHAMBERS: I could not understand you. [LB435]

JUDY PEDERSON: Not in the North Platte area; no. [LB435]

SENATOR CHAMBERS: So you just have a big unemployment problem in North Platte for everybody who lives in North Platte? [LB435]

JIM HAWKS: I think the majority of those folks that we would be talking about I would consider as underemployed rather than unemployed. [LB435]

SENATOR CHAMBERS: But they're not Latinos, Hispanics, or whatever term would be used to designate those people whose language would be Spanish or their origin as South or Central America? [LB435]

JIM HAWKS: I don't believe so. [LB435]

SENATOR CHAMBERS: Okay. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Other questions? They're going to let you off easy. We appreciate you coming. Do you have information to be distributed? [LB435]

JIM HAWKS: Yes, we do. And again we appreciate the opportunity to come and visit with the committee today. [LB435]

JUDY PEDERSON: Yes, thank you. [LB435]

SENATOR ERDMAN: Very good. Thank you for making the trip. Our next presentation

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

will be from the city of Kearney. Alec, can you hand out Roger's testimony for us, please? Thank you, sir. Let me do this for the benefit of those who are here just so that you can plan. My goal is to conclude the formal presentations here sometime around 12:30, which would give us an hour remaining for the groups that are left. And at that point we would break for a lunch recess, and then reconvene hopefully shortly after 1:00. And obviously that's news to everyone here, including the members of the committee, but I want you all to recognize that we have set aside this day for this opportunity, both for the representations and for the public comments, so my vision would be that we would conclude the presentation sometime shortly after lunch and then come this afternoon for public comment. Again, after the public comment portion has been completed, then the committee will meet in Executive Session to discuss not only what we've learned today but also the presentations and reports that have been submitted prior. So I probably should have announced that before some of my colleagues snuck out, but I know that they are in the building, they are listening. Roger, we'll make sure they get your information and we'll ask you to go ahead and proceed.
[LB435]

ROGER JASNOCH: (Exhibit 7) Very good; appreciate that. Roger Jasnoch, president of the Kearney Chamber, director of the Kearney Visitors Bureau. J-a-s-n-o-c-h. I'll hold off delivery of your lunch then until after the time. Senator Erdman, thank you for your leadership and the hard work the Ag Committee has done on this very complex issue addressing the Nebraska State Fair. One of the things you mentioned at the October 1 meeting is that you urged communities presenting a proposal that they do what's in the best interest of the State Fair and not what's in the best interest of individual communities. With that, and what's on the table in terms of current circumstances, if you will, the cards that are on the table, Kearney's position is to support the Nebraska State Fair in its current location, taking advantage of a cost-effective alternate. We are also very interested to hear from our friends, in a few minutes, from Lincoln, to learn what options they've identified and locations and certainly what local resources they have identified to facilitate their vision. In the event the Nebraska Legislature makes the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

decision to relocate the State Fair and provides the resources necessary to move it to a new location, certainly the rules change, and at that point Kearney would be interested in offering a relocation proposal at that time. Taking what has been done with the modeling study, we feel that a strategic plan needs to be developed for the State Fair, creating a vision to make the fair the most successful it can be. Once that is done, the site can be developed to support the vision and certainly the use of the facilities year-round, which is important for its success. Kearney stands ready to work with the Ag Committee, state senators, and the Nebraska State Fair Board to create that vision for the fair to make it successful and be an event all citizens of Nebraska would be proud of. With that I would be glad to answer some questions, Senator. [LB435]

SENATOR ERDMAN: Great. Thank you, Roger. Any questions for...? Senator Chambers. [LB435]

SENATOR CHAMBERS: I read your statement, and you did say that your purpose primarily in being here today is to support leaving the State Fair where it is now. [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: You came all the way from Kearney to support that. [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: Okay. [LB435]

ROGER JASNOCH: And the fact that not knowing what cards are going to be dealt on the table a little bit later here, we would certainly take a look at other options because we think part of the success of the State Fair is to take advantage of population standards that were established in the study. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: Haven't you dealt Kearney out of the game, though, as far as practical consideration when you come here to state your primary purpose is to support it being left where it is, which means you haven't thought much about what would happen if it were moved to your area. That's what this suggests to me. [LB435]

ROGER JASNOCH: Yes, we have talked about, thought about that, Senator, and again, as I stated, what we think right now is what's best for the State Fair, and that it stay in Lincoln. [LB435]

SENATOR CHAMBERS: And had you been aware of the presentations made by Grand Island and North Platte prior to coming here today? [LB435]

ROGER DACHSHUND: I knew they were going to be here and making presentations; yes, Senator. [LB435]

SENATOR CHAMBERS: No, did you know what their presentations would consist of? [LB435]

ROGER JASNOCH: No, I did not. I had a good idea but I (inaudible). [LB435]

SENATOR CHAMBERS: Then how did you know, at that point, that it would be best to leave the State Fair where it is right now? I'm curious. [LB435]

ROGER JASNOCH: Part of the issue, and in our opinion and in my opinion, Senator, is the population standards. And we also had 1,500 sleeping rooms when the study validated that, that a successful community needed 1,500 sleeping rooms. It told me that the fact that there are a lot of day travelers that come to the State Fair. [LB435]

SENATOR CHAMBERS: Is there adequate...? Now, you've reviewed the reports that were presented by the consultants? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: Is there, in your view, adequate parking at the existing site of the State Fair? [LB435]

ROGER JASNOCH: That would be one of the things that, again, as you look at a vision, if you will, that's what needs to be addressed. Yes, there needs to be additional parking. [LB435]

SENATOR CHAMBERS: I don't know that they thoroughly did that so I'm not going to go into that a great deal. Did you drive here today? [LB435]

ROGER JASNOCH: No, sir; last night. [LB435]

SENATOR CHAMBERS: Okay, but you drove. [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: Where did you park? [LB435]

ROGER JASNOCH: Last night? [LB435]

SENATOR CHAMBERS: Um-hum. [LB435]

ROGER JASNOCH: I parked at the property I stayed at in Lincoln. [LB435]

SENATOR CHAMBERS: Okay. And when you...? Did you drive from that place over here to this building today? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: And where did you park today? [LB435]

ROGER JASNOCH: Right out in front, sir. [LB435]

SENATOR CHAMBERS: Okay. Are you aware that there are days when the block around this Capitol Building will be full of cars, and there's no place to park? [LB435]

ROGER JASNOCH: I've experienced that many times, sir. [LB435]

SENATOR CHAMBERS: Now, this building was constructed the better part of three-quarters of a century ago--the equivalent of my age. Do you think they anticipated, when they put this building in place, that the parking problem would exist that exists today? [LB435]

ROGER JASNOCH: No, sir. [LB435]

SENATOR CHAMBERS: Say it again? [LB435]

ROGER JASNOCH: No, sir. [LB435]

SENATOR CHAMBERS: I don't think they did either. Now, we're looking at an existing situation with the current location of the State Fair, and the parking appears to be inadequate. Or do you disagree with that? [LB435]

ROGER JASNOCH: I would agree; I would agree. [LB435]

SENATOR CHAMBERS: Where, in your review of that report, was there territory to expand the parking? Did the report identify specific territory when the report itself said

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

450 acres would be ideal... [LB435]

ROGER JASNOCH: No. [LB435]

SENATOR CHAMBERS: ...but the current location has 250. If it's 200 acres short right now, then where will the additional land come from to expand parking? [LB435]

ROGER JASNOCH: Senator, it goes back to developing a business plan, if you will: a strategy that's specific for Nebraska, specific for the State Fair. It's my understanding the model that was done utilized excerpts from other state fairs in terms of how ideally it could be done, not necessarily specifically analyzing Nebraska's needs, Nebraska's State Fair needs. That's my opinion. [LB435]

SENATOR CHAMBERS: Okay. The reason I'm discussing this with you, you're the only one speaking for Kearney... [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: ...and so you do have a bit of time. Did you hear the president of the university, who goes by the initials J.B., speak? [LB435]

ROGER JASNOCH: Yes, I did, sir. [LB435]

SENATOR CHAMBERS: And he acknowledged that Nebraska is not North Carolina; that the circumstances are different. And that what they're proposing for their Innovation Park or whatever they call it, is not going to be exactly the same as what is in North Carolina, so there's an extrapolation or something like saying this might be analogous to what's happening there but it's not really the same. Do you think that these consultants pointed out how land can be conjured out of thin air? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

ROGER JASNOCH: I don't recall that page being in place, sir. [LB435]

SENATOR CHAMBERS: Me either. So I'm wondering where this land would come from for this expansion that you mentioned. [LB435]

ROGER JASNOCH: Again, sir, it goes back to developing what's best for the State Fair. If the current site is what's best for the State Fair, then let's leave it there. If, in fact, it needs to be the expanded site of 450 acres or whatever the process would unveil, then (inaudible) find... [LB435]

SENATOR CHAMBERS: Do you remember the consultants making a recommendation where the fair should be, or just putting things on the table as options, discussing this and that and the other? [LB435]

ROGER JASNOCH: It was the establishment of 450 acres; the criteria, if you will. [LB435]

SENATOR CHAMBERS: Now, I see from the document you handed us, you're the director of Kearney's Visitor Bureau. [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: Are you planning to continue living in Kearney or are you planning to move to Lincoln. [LB435]

ROGER JASNOCH: Sir, when I left last night, I plan to live in Kearney. That may change by the end of the day, but (inaudible). [LB435]

SENATOR CHAMBERS: But you're here to speak on behalf of Lincoln and leaving the State Fair where it is. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

ROGER JASNOCH Yes. [LB435]

SENATOR CHAMBERS Okay. And that is based on your reading of that report by the consultants and the criteria they laid out. [LB435]

ROGER JASNOCH Yes, sir. And mainly the population base that they were dealing with in the report from the standpoint of eastern Nebraska, and the fact that 1,500 sleeping rooms were enough to support the State Fair, which again validates the fact that people come for the day, for the most part, and go home or wherever. [LB435]

SENATOR CHAMBERS Well, most of the people who go to the State Fair, based on your reading of that report, would come from Omaha and Lincoln? [LB435]

ROGER JASNOCH: I would say eastern Nebraska, which would include other population. [LB435]

SENATOR CHAMBERS: How far west of Lincoln would that go, in your view? To what part of eastern Nebraska? [LB435]

ROGER JASNOCH: Probably from York, maybe, as a possibility. Within an hour. [LB435]

SENATOR CHAMBERS: How far is York from Grand Island, if you know? [LB435]

ROGER JASNOCH: Forty miles. [LB435]

SENATOR CHAMBERS Forty miles? [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: How far is York from Lincoln? [LB435]

ROGER JASNOCH: About 50. [LB435]

SENATOR CHAMBERS: Fifty? [LB435]

ROGER JASNOCH: Yes, sir. [LB435]

SENATOR CHAMBERS: So York would be closer to Grand Island. [LB435]

ROGER JASNOCH: In miles, yes, sir. [LB435]

SENATOR CHAMBERS: Do you think people would travel from Lincoln and Omaha to go to Grand Island to visit the State Fair? [LB435]

ROGER JASNOCH: I think if the State Fair was relocated outstate, we would certainly pick up a few more of our friends in agriculture that would attend. My concern is that the population centers from the eastern part of the state would not, and therefore you would end up with fewer people going to and attending the State Fair. [LB435]

SENATOR CHAMBERS: And I have your rationale now. Thank you. That's all I would ask. [LB435]

ROGER JASNOCH: Very good, Senator. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Any other questions for Roger? I don't see any. Thank you, sir; appreciate you coming. [LB435]

ROGER JASNOCH: Very good. Senator Chambers, thank you; committee, thank you.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

[LB435]

SENATOR ERDMAN: Our next presentation, I believe is from the Friends of Innovation Park. I hope I have that right. Excuse me, Friends of Innovation Campus. For the life of my, Tonn, I'll probably refer to you as the Vision group, so don't be afraid if I would happen to slip up and use that instead of your new title. [LB435]

TONN OSTERGARD: We'll answer to anything you want to call us, Senator. [LB435]

SENATOR ERDMAN: (Laugh) Well, don't say that; don't say that. It is about 11:45, so you'll have until noon. [LB435]

TONN OSTERGARD: (Exhibit 8) And we'll try to be expedient. Good morning. Thank you, Senator Erdman and members of the committee. My name is Tonn Ostergard. (Inaudible) my sheet. And this morning, while... [LB435]

SENATOR ERDMAN: Tonn, why don't you go ahead and spell your name for us. [LB435]

TONN OSTERGARD: The first name is Tonn, T-o-n-n; the last name, O-s-t-e-r-g-a-r-d. While you did refer to our Vision 2015 group, of which I am a member, this morning we are here also representing a broader group that we'll refer to later, hence the name, Friends of Innovation Campus. We're going to tag-team this presentation a little bit this morning. I will provide a brief introduction and the other gentlemen will fill in some of the details, and I'll conclude with a summary. But first of all, I think our proposal today is really here to support the broad vision articulated... Yes, sir. [LB435]

SENATOR DIERKS: Where are you from, Tonn? [LB435]

TONN OSTERGARD: I'm sorry, Senator. We're from Lincoln. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR DIERKS: (Inaudible.) [LB435]

TONN OSTERGARD: Yes, sir. [LB435]

SENATOR DIERKS: Thank you. [LB435]

TONN OSTERGARD: We're here to support the broad vision that I think was very clearly laid out by the representatives from the university, so I'm not going to be redundant and go over that. But that's really, I think, the impetus behind our support, is that vision that that campus can provide, not only to Lincoln but to the broader state. I think the chancellor and the president did a great job explaining that. But I think that is the main driver of our proposal. Along with that proposal, then we felt the need to provide a solution to relocate the fair, and we'll go into those details. But I do think in the end you're going to see a win-win proposal: a win that does embrace the vision that the chancellor and president spelled out, but also a vision that embraces the heritage of the fair. Because we want to go on record that we appreciate the fair; we want the fair to stay in Lincoln; and we want to have a proposal that embraces both of those objectives. When you look at that vision, and you've seen this earlier, but that is the Innovation Campus that we think provides a great economic engine, again not only for Lincoln, but for the whole state. When we talk about the Friends of Innovation Campus group I'm here today representing; you heard from the mayor earlier; we have letters that we'll provide you from all members of the Lancaster County Board; the Lancaster County Ag Society; the Horsemen's Benevolent & Protective Association, which is an integral part of this as they provide the horse racing at the State Fair and two-thirds of the revenue that the fair generates; the Lincoln Independent Business Association; the Lincoln Chamber of Commerce; the Lincoln Convention and Visitors Bureau; and then of course Vision 2015. So you can see we have a broad base of coalition here that we're speaking on behalf of. I'm sorry, one more: the Lincoln Lodging Association, as well. So when you look at our proposal that we'll go into in greater detail, we're going to really focus on

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Phase 2 of the consultant's report. I think it's important to mention, at least in passing, that Phase 1 focused on the model fair. I would contend that maybe the model fair is not the practical fair. It contended an investment of \$175 million, and I think too much focus has been made on that \$175 million. We think that there's a practical solution that is much more viable, and we're going to focus on that; and that's what Phase 2 was, taking that model fair and overlaying it at the existing location. So, hence, apples to apples, we're going to give a presentation that compares to that Phase 2. But we add a plus to it because we think our proposal adds a lot of benefits to a lot of the questions we were previously asked that give us a plus over the existing location. So with that I'm going to turn it over to Dick Campbell who is going to go over some of the details of the location. [LB435]

SENATOR ERDMAN: Dick, do you want to spell your last name for us? [LB435]

DICK CAMPBELL: Sure, Senator. C-a-m-p-b-e-l-l. As you will see by this next slide, and you may be familiar, there is a total of 411 acres that the University of Nebraska-Lincoln presently owns. It's around the Lincoln, the spot that the Ag Society--where's the pointer, there it is--the Lancaster County Ag Society has their campus on this 167 acres, and you've got the University of Nebraska-Lincoln owning 411 acres surrounding that area. This is located at 84th and Havelock Avenue in northeast Lincoln. Earlier, the mayor had appointed a task force, and this is one of the concepts that the architects brought forth which I found very interesting because with the existing complex of the Ag Society here, we were able to put together a mile racetrack, as well as take into consideration putting a complex of buildings as the consultant suggested where you had the exhibits in one area, the livestock in another, and so on; that you cluster these different things. Obviously, as work would move forward, the details of the exact layout, the details of which building is going to be what, would be up to the State Fair and to you in your participation, to make the decisions. This is everything east of 84th Street, and so 84th Street is left in place, Havelock Avenue is left in place. Havelock would be closed during fair events, and this would allow a campus activity, and yet when there

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

are nonfair events, it allows access into the grandstand and the racetrack on a more direct basis. AS you'll see, a couple more of the artist's conceptions with the new midway in the center, the tower, the existing buildings to the south, and it shows a conceptual layout of how that could happen. Also how the one-mile track and grandstand could be put in place next to some of the existing buildings. Presently, out at 84th and Havelock, with what is completely constructed now or is under construction right now, there is \$40 million of infrastructure and buildings available to meet the desired complex that the consultant stated in his second report. In addition to that, we have tried to go through the square footage that the consultant said was necessary to have the State Fair have a state-of-the-art facility an be able to put on its events as it desires. We feel that there would be an additional \$52.8 million of construction that would be necessary, and that does include relocating and building a new agronomy and horticultural research facility, which is on the west side of 84th at the present time. With this, we believe that this matches up and shows the square footage as laid out by the consultant in their Phase 2 study. And obviously that would need to be worked on by everybody involved as we move forward, but in our analyzation we feel this would fit the bill. I'm going to turn it over to Kent Seacrest to carry it a little further... [LB435]

SENATOR CHAMBERS: Just one question so I won't get lost. So you're saying the total would be about \$92 million or \$93 million, as opposed to \$175 million? [LB435]

DICK CAMPBELL: That's correct. [LB435]

SENATOR CHAMBERS: Okay, I'm with you. [LB435]

KENT SEACREST: When we first met with State Fair officials to develop LB435 last year... [LB435]

SENATOR ERDMAN: Kent, can you spell your name for us, please? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

KENT SEACREST: Excuse me. Kent Seacrest, S-e-a-c-r-e-s-t. When we met with the State Fair officials last year in developing LB435 with them, the issue they consented to was that the highest and best use of State Fair Park would be for research and not as a fair. But the issue, to them, which was a real one, is where do we find that type of money to relocate State Fair Park? As we have shown you from the last slide, we have \$40 million of existing attributes out there at 84th that we can contribute into the new potential pot, but we're showing you \$52 million of new. It even gets a little bit more complicated because we probably have to add another \$10 million to be fair, and that's to add a 10 percent contingency and soft costs of 6 percent. So now the riddle is, \$62.2 million of solving the riddle. Well, where do we find that type of money? That's a lot of cash that has to be found and a lot of investment that has to be found. What we would like to now show you is what we think is the solution to solve the \$62 million of new attributes that would match up with the Phase 2 report that the consultant recommended for State Fair Park. We're talking, first of all, lots of cash. Last year, 2015 Vision proposed and offered \$6 million of cash to State Fair is they would be willing to look at relocation of the fair out towards 84th and Havelock. We're pleased to indicate that the University of Nebraska Foundation has committed its resources to help raise \$15.8 million of cash to help acquire the old buildings and land out at State Fair, which then would allow the State Fair Board to have that \$15.8 million to bring to 84th and Havelock to put in towards the new improvements that we are tentatively outlining, subject to your wisdom. As a result, that is raising the equivalent of the \$21.8 million of cash. In addition, we are anticipating and analyzing that we could have the land that the University of Nebraska presently has, that is west of 84th Street, approximately 207 acres, that those proceeds could be sold. And those proceeds, we think, would have the then-current market value of \$10.5 million of cash proceeds that could show up. So together, all the cash, along with the land proceeds, would equal a sum total of \$32.3 million. Well, what's left? The \$29.9 million is what's left. And what we're proposing is that that could be pay-as-you-go, or more practically, in our mind, let's do it right and let's get it done, and that's potentially a bond-type approach where the main source is the state lottery proceeds that are in the state's constitution as we speak. Those are the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

primary. You need some for operating, but the balance could be left and put into a type of a revenue-type bond that could go forward. And we then have the ability to increase that because now our vision and our plan shows you a one-mile track and new grandstand. And that's the equivalent of asking ESPN to bid on a high school football game when you have a 5/8-mile track, versus bidding on a mile track which is the equivalent of an NFL team when you go to sell simulcast. So we see the potential to add some more revenue on the issue if we can have a one-mile track according to the Horsemen. We also have the ability, what we're talking about on this bond, is a 5 percent interest rate we assumed; 25 years at a 110 percent coverage factor. Well, right now, if we could issue those bonds we probably could get it at 4 percent, so that would be another \$3.2 million of savings off of that \$29.9 million figure up there. We also think there's potential savings by collocating Lancaster County Event Center with the State Fair. Instead of having two similar facilities that maybe go out and buy two similar pieces of equipment, we could bring them into one campus and have more savings there that would also reduce that bond issue along the way. We also have the potential, maybe, of the State Fair Foundation fund-raising abilities, corporate building sponsorships with a new track and new grandstand, which we are proposing, we think there will be naming-rights opportunities that could bring in additional funds along the way, along with the ability to perhaps have higher attendance. Our model, our bond, assumed significantly less attendance than the consultant did in Phase 2. We thought that the consultant was too aggressive on attendance and per diem. We took a much, much more conservative approach when we did this, and as a result, when we show you that bond, we have those much more conservative figures in there. Just to go over the key funding: As we've indicated, we have more conservative assumptions on per attendance as well as the per diem that people will spend per day. We also are proposing in this proposal new state taxes or appropriations, because that's important to certain people in this room; no new city taxes; no new county taxes along the way. We want to just talk about a proposed time table. This is one of the things you might be wrestling with this afternoon. Your reports is due tomorrow and you will put it together as you see fit, but what we are assuming and hoping is that maybe in January, under

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

your guidance or under legislative guidance, the key stakeholders can go to work and really narrow in and define the win-win. We're showing you, if you wanted to follow the consultant's Phase 2, but you might have a better way. Some have been suggested today. So we would be willing to look at that. The win, meaning get Innovation Campus, as well as, if your wisdom on how to reconstitute the State Fair. Those are the two wins and what we think, by September the results of the stakeholders' analysis could be completed, we could take it around the state of Nebraska and judge whether or not it is in the state's interest, because that's what it's all about--not Lincoln's but the state's interest--and we then could have it back in front of you, the potential enabling legislation next session to discuss how to implement that win-win, both for the fair as well as the Innovation Campus. Construction then could be 2010 for the first part of it, and then an opening in 2011. The consultant did a site criteria. We did one ourselves. We found more attributes, so that instead of a 40 out of a 50 possible score, our site, we felt, was 44 out of 50. [LB435]

TONN OSTERGARD: So just in closing, certainly when you look at this location, we have a much larger site compared to the existing State Fair: 371 acres compared to the existing 251. And certainly that 371 could be expanded beyond that if needed to meet the model fair needs. All public buildings would be air conditioned and heated. That's certainly not the case even at the new and improved State Fair following the Phase 2 report. So we would have much better facilities. All public buildings would meet life safety and ADA standards; again, it speaks to the quality of the infrastructure that we would provide. A new grandstand and the one-mile track instead of the 5/8: I don't think that can be emphasized enough with respect to the impact horse racing has, and I think that's reflected in the letter we have from the Horsemen indicating a strong desire to leave the existing State Fair Park and join us so that they can maximize their revenue potential. And as I said earlier, horse racing does represent two-thirds of the State Fair's revenue, so without that it would be a huge blow to the fair. All these new facilities certainly reduce operating and maintenance costs, which, again, can be a drain on a budget. I think the other aspect of this, when you look at facilities, is it units what was

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

once the Lancaster County Fair and the State Fair together, making better utilization of infrastructure. Right now, there's a fair amount of redundancy and duplication as Kent has already alluded to. We think there's a lot of benefits in terms of operating cost-savings achieved by merging those two. Again, we demonstrated the ability to leverage more private-sector contributions. This deal doesn't work without the infusion of real cash. You can't do this without real liquid assets coming in, not only new cash coming in, but utilization of the existing \$40 million that is already in place at the Lancaster Ag Center. As I said, this also units some of the UNL agricultural demonstration tracts that are out there, some of the plants, the crops. We also eliminate the competition with another tax-supported ag exposition center, which currently exists between State Fair and the Lancaster County Event Center today. They're basically competing for the same events and cannibalizing the revenue opportunities. Number 9, the ability to expand and meet the ideal fair model, if it's attainable. We really have focused on a practical fair. If at some point in time the state will support a model fair, we have the infrastructure to do that; we have the parking. Parking is a huge detriment today, I think, to attendance at the fair. I think attendance is impacted because people don't want to find a place to park and then worry about how to get back to their car, if they can find it later. The new location provides a much better fair parking that we think will improve attendance. And finally, most importantly, this land frees up the land for the Innovation Campus. So we have a true win-win at the end of the day. This is not, as I think J.B. said earlier, this is a not a zero-sum gain. We can come away from this with a new improved better State Fair, and also an economic engine that will supply a great innovation for our state for many years to come. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Tonn. Senator Chambers. [LB435]

SENATOR CHAMBERS: A statement was made about the bonds, something like revenue bonds. You would have to have revenue bonds or general obligation, because you're not going to get general obligation, so they're revenue bonds. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

KENT SEACREST: It could be general obligation. That could be your choice in that we could show you... [LB435]

SENATOR CHAMBERS: Well, on whose general fund would they be drawn: Lincoln's or Lancaster County's? [LB435]

KENT SEACREST: A combination or the state of Nebraska... [LB435]

SENATOR CHAMBERS: No, not on the state...oh, but you're not going to try to legislation until 2009, right, when I'll be gone? (Laughter) [LB435]

KENT SEACREST: It could be revenue, in which case the interest rate is higher if the state would be willing to backstop the revenue sources without committing...if the revenue sources show up, then there's no state expenditure. But the commitment of a backstop could reduce the interest rate, which then could bring more money to the table. [LB435]

SENATOR CHAMBERS: But I always... [LB435]

KENT SEACREST: But that's a choice for the state to figure out. [LB435]

SENATOR CHAMBERS: I look at the fact that if you have a cosigner, the one who's going to grant the loan is looking at the cosigner, not the one who is signing. That's just the conduit. If the cosigner has the money, then you'll get the loan. So if you need a cosigner, then that means you're not too liable yourself, likely to handle it. But let me get to the question I want to ask you. If it's a revenue bond, from where will the revenue be derived? You can mention tickets and like that, but you also mentioned the lottery money. Would that play into it? [LB435]

KENT SEACREST: It could play into it. We think that the state has approved that and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

it's about \$3.2 million now, per year. The city brings 10 percent; the state funds bring 90 percent. [LB435]

SENATOR CHAMBERS: So you tell the investors that these are revenue bonds and part of the money is coming from lottery funds, but they're not going to accept you telling them that it's \$3.2 million now so you can expect it to be \$3.2 million from now on. [LB435]

KENT SEACREST: Well, it depends. If you look at what, the first year, I think they were at \$2.2 million, so, again, it's hard to...I'll let the underwriters figure out and what the coverage factor has to be on the bonds. But we ran this analysis, and there's other ways, again, to reduce the bond amount along the way that we feel... [LB435]

SENATOR CHAMBERS: But you've thought it all through, it's clear to me. You've thought all that through. Okay. Now, in looking at your time line, there's going to be something that would happen in September that could be considered of significance. [LB435]

KENT SEACREST: Our goal would be, I think, to put a time line together so that we don't talk forever; we get together and decide it. But I feel it's important to test it with the rest of the state of Nebraska. That's why we show this public engagement and review, both to legislative committees, like you, during this period, but take it out to the state. [LB435]

SENATOR CHAMBERS: But, see, that's the last activity that will occur during my time in the Legislature. Now, when you say that the Legislature would asked to pass enabling legislation in the spring of 2009, the bonds are not going to be available until after some of these things are done, is that true? [LB435]

KENT SEACREST: That's correct. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: So if the Legislature passes enabling legislation and would probably put an emergency clause so during that session you'd have the legislation, at what point after the legislation would be enacted would the bonds be let? [LB435]

KENT SEACREST: Probably, you see the fall of 2009, the financing? [LB435]

SENATOR CHAMBERS: Um-hum. [LB435]

KENT SEACREST: That, to me, is part of the bond process. [LB435]

SENATOR CHAMBERS: Okay. And I will have fallen by the wayside, a year by then, right? [LB435]

KENT SEACREST: I wish we could do it this year, Senator. [LB435]

SENATOR CHAMBERS: This timing is fortuitous, I hope. (Laughter) No, I'm just kidding. You answered my questions; thank you. [LB435]

SENATOR CHAMBERS: Thank you, Senator. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Can you go back to your comparison between the Phase 2 guidelines and how your site compares? Actually, go forward; I'm sorry. Go forward, where you lay the two side by side; where you graded an 88 percent and the existing site graded an 80 percent. Is your criteria based on existing facilities or on the proposed new facilities? [LB435]

KENT SEACREST: On the proposed new. We understood that when the consultant Phase 2 came in with that State Fair column, that that is what the criteria would look like after the \$30.8 million was invested. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Okay. I just wanted to make sure that... [LB435]

KENT SEACREST: And so ours is saying the same thing. [LB435]

SENATOR ERDMAN: I just wanted to make sure it was clear what you were gauging on your criteria. It's not the existing facilities; it's what would be there upon the completion of your improvements. [LB435]

KENT SEACREST: That's correct. [LB435]

SENATOR ERDMAN: One other thing. There's two comments that have caught my attention, and maybe it's because I'm sensitive to this whole process and following this. We have a letter from the Lancaster Event Center, from Ron Dowding, president of the Lancaster County Ag Society, supporting the development of a new State Park adjacent to the Lancaster County Event Center. And one of the comments that your presentation made, the tenth point was, most importantly, it frees up land for the Innovation Campus. They're not the same analysis that I think I was expecting, and it brings up this question. If you collocate at the existing site of the Lancaster County Ag Society, who's in charge? [LB435]

KENT SEACREST: Senator, the governance issue is a very important issue, and that's why it will not be ready quickly. Those parties, along with the state, along with your guidance, along with other key stakeholders, have to get together and discuss the governance. We're not presumptuous to tell parties that, you know, we're not the State Fair, we are not the State Fair Board, we are not DAS, we are not Lancaster County Event Center. They need to figure out governance. But what I've learned in my years is that when you have a good idea and the correct vision and you have the money, it's amazing how people will figure out how to have a good accountability system and a good governance system. So we are guardedly optimistic that that can be addressed,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

but we would not want to offer you a solution today. There's been solutions thrown out there historically, but again, those parties have to work on that. [LB435]

SENATOR ERDMAN: What generally has been the reception of your discussions with the State Fair Board about your proposal? [LB435]

KENT SEACREST: We have not met with the State Fair Board. We promised you, when we got together a couple months ago, that we would not try to go out and influence this. We would just be doing our own homework and present the data to you. We would be glad, starting today or tomorrow, to sit down with the State Fair, take Mayor Beutler up or the Governor up on saying, let's get the stakeholders together. We would love to dialogue with the State Fair. [LB435]

SENATOR ERDMAN: Is it the opinion of your group that if collocation is pursued, that the State Fair Board is not simply a tenant in the facility? [LB435]

KENT SEACREST: There's so many different models we could come up with. Each entity could continue to own their own land and put it together in a pooled governance system. They could divide resources. They could move property lines around. I would trust you that whatever the model is, none of us know it yet because smart brains will get together and it will be better than any of us can think about it today. So, again, I don't want to prejudge what those great ideas could be. [LB435]

SENATOR ERDMAN: The last question that I have, and maybe these are two ships that are passing in the night and aren't connected but I somehow have connected them, your proposal calls form an additional exhibition space at 84th and Havelock. [LB435]

KENT SEACREST: Yes. [LB435]

SENATOR ERDMAN: It's my understanding that the city of Lincoln is pursuing

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

additional exhibition space in the Havelock area, in a convention center, some type of replacement for Pershing, or excuse me, Haymarket. [LB435]

DICK CAMPBELL: That's downtown. [LB435]

SENATOR ERDMAN: Right. That would still be within the limitations. Would that affect what you believe your use of a new exhibition center or are you trying to target a different...? [LB435]

KENT SEACREST: Totally different. What we're envisioning in the west Haymarket is 15,000 seats, potential home for men's and women's basketball; it could be concerts and big venues for our state to get together and do things with. That's what I would call a small version of a Qwest Center. What this is envisioning, I think, is more of a 3,000-, 5,000-, 6,000-seat arena that would be able to accommodate smaller events, be able to probably bring the dirt in a little easier, and be able to be set up. We see this not as a 10-day event; this is a 365-day event. And what we want to, is get a real state-of-the-art equestrian, agrarian center going that would serve the whole state, and as a result, 15,000 versus 6,000, we think that there's a market for both and they will serve different markets. [LB435]

SENATOR ERDMAN: Okay. The last question I have is similar to the one I asked earlier of the chancellor and the president. You mentioned \$15.8 million or \$15.6 million, whatever the number was, from the efforts of the foundation of the university. As I would understand that, there's going to be some value in the property that's there, but also the reality is, is that regardless of who has State Fair Park, some of those facilities are going to be there. They're going to be on the National Historic Register. There's going to be some need to enhance some of those facilities regardless of who the managing entity is for that property. Currently, it's owned by the state. Is the \$15.8 million--and you briefly touched on this, but just so I'm clear--is the \$15.8 million to allow the university to utilize the campus, because technically as I understand the property management

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

agreement, it's the university that owns...or it's the state that owns the land and the facilities, and they have an agreement with the State Fair to maintain. Where realistically does the \$15.8 million go? What does that actually account for, and how is that contributing to the relocation at 84th and Havelock, or is it simply tied into the idea of you can't do one without the other so we have to cover some of the costs of the Innovation Campus which would be associated with moving the fair? [LB435]

KENT SEACREST: I'll let others join in on this, but what we're envisioning is for the State Fair to be asked to leave their present home for 105 years. They've got to be fairly compensated, including the state, because if we're going to continue to have a fair, we need to replace it. So what we're first envisioning is those proceeds go in to helping buy the old buildings, most of which will probably be knocked down. The historical ones, according to the chancellor and the president would be renovated, and then the land would go into balancing. We're also talking about exchanging land between the university and the state. The west side of 84th, that's that \$10.5 million of proceeds, so at the end of the day, the university and its friends are basically paying for the equivalency of State Fair Park building and land, so the State Fair has those cash proceeds to go build their new potential home. [LB435]

SENATOR ERDMAN: And the last question I'll have before I'll see if there's others: That land that's being donated has a development value in the community of Lincoln based on its location and potential uses, but it also has a historical value to the agriculture community of Nebraska because it's currently being utilized for ag research farms and plotting some of the work that's being done at the university. While that value goes towards the process here and potentially allows for the development of that land and lowers the cost of the new site, in your discussion--and since you have such a broad coalition--what then is the solution to replace that land, not for the benefit of the State Fair, but for the benefit of the entire state, for the producers who have relied upon that research information for their operations? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

KENT SEACREST: The first simple answer is, a lot of the land on the east to the north part would stay research land. The rest of it, the land on the west side, I think it's more appropriate to have the chancellor come up and answer his proposed concepts or vision, or maybe they're not at the stage to even discuss those yet. But all we know is we've had a commitment to relocate the agronomy and horticultural research facilities, to you know, make them whole, because that is part of the state interest, as well, out here. [LB435]

SENATOR ERDMAN: Okay. All right, other questions? Senator Chambers? [LB435]

SENATOR CHAMBERS: I want to deal with something practical. Senator McDonald, are you out of here after this coming session? [LB435]

SENATOR McDONALD: Yes. [LB435]

SENATOR CHAMBERS: I know Senator Erdman is. I thought he was going to be around, but he told me he's out, too. Senator Preister is out, and I'm out. So that means you're going to have to be prepared to do something very similar to this all over again, when you come back in 2009 to try to get some legislation. So the people, probably many of them in this audience if they came from western Nebraska, voted for term limits to get rid of me, but they're going to see that they created a lot more problems than they solved by putting term limits in place. I'm deliberately using this as a platform, not directed at you, gentlemen, you just happen to be where I'm saying it. But I wanted us to be near the end of what we were going to do today. When an entire branch of government is decimated to get rid of one person, that's the most stupid a society can do. There will never be the compiling again in the history of this state, the knowledge, what they call the collective or institutional memory, that a legislature ought to have. By having one house of the legislature, you will not have people who can serve in one branch, one house, then come over to the other and retain some of that knowledge. Everybody is new, everything is new. There may be different lobbyists, different parties

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

at work, and what we're saying here today may have no impact whatsoever on what will come to pass. And I just want people to start looking at the practicality of sweeping us all out of office. I'm 70 years old. The "Bible" said the life of a man is three score and seven. That's where I am now--three score and ten. And since I'm supposed to be on the "outs" with the Creator, He's probably going to take me away from here at any minute, maybe before this day is over! (Laughter) So that would solve their problem. But they couldn't wait, so they're decimating the Legislature. The only value in what we're doing here today, in my view, is that some people might pay attention. They're not going to read the transcript of this hearing. Those who are not here will have no idea of what we're talking about, but the players, having listened to each other, may be able to chart a course that will make it possible to do something that's in the best interests of the state overall. And there does have to be a vision broader than just trying to win the next election, using this position a person may be in as a steppingstone to someplace else. This building will be here after we're all gone, the state is going to be here--unless the world comes to an end sooner--but one of the reasons this building is being preserved is because I believe in the necessity of retaining the valuable artifacts of a society. I was made the cochair of a committee to look after the renovation of the Capitol building, because Mr. Ripley and the other people knew that I had an appreciation of these things. When we had to select artwork, some of the local artists wanted to put what would have been blown up postcards as art, but I said no, that won't get it. When we were talking about new fixtures for the doors, because some of the people in the Legislature wanted to travel cheap, they said it would be difficult to find the kind of doorknobs and locks, locking mechanisms, that exist now, so what we will do is go to those doors where there needs to be a replacement, we will remove what is there, we will fill that wood, and then we can go to the hardware store and buy the fixtures. And I said no. When we were talking about buying chairs, some of the members, at least one, had a guy who made furniture, literally, in his garage. She wanted us to make a deal with him, and I said no, we're going to spend the money--since I'm the chair of this subcommittee--to get what we need, and I worked very closely with Mr. Ripley. And anybody who has doubts can ask him. I'll tell you why I'm saying this. When people

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

come here and they're going to be here a short time, they're not going to develop any concern about this building or anything else. They're here and they're gone, and it's going to take awhile for it to settle in on the people at large the damage that they did by calling themselves punishing the Legislature. They punished themselves, and being the (inaudible) that I am. But sometimes I have to speak the truth, despite my modesty. When they lose me, they're going to lose a treasure. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. [LB435]

SENATOR CHAMBERS: That's all that I have. [LB435]

SENATOR ERDMAN: Any further questions for the Friends of Nebraska Innovation Campus? [LB435]

SENATOR CHAMBERS: I would ask them how they voted on term limits, but that's their business. (Laughter) [LB435]

SENATOR ERDMAN: Very good. Thank you, gentlemen. We appreciate the effort you and your group have put forth. [LB435]

KENT SEACREST: We have copies of our PowerPoint, along with letters from our partners. Those letters are very interesting, too. (See also Exhibits 14-16.) [LB435]

SENATOR ERDMAN: Okay. We'll review those. Is there a Mike Eckert here today? Mike, come on forward. Just another reminder: Mr. Eckert will go next, and then the State Fair Board. After that we will recess for lunch, and then we will reconvene approximately 30 minutes after that for the public comment, on either what you've heard today or what you have heard prior to today, so that you have an opportunity to comment on this process. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

MIKE ECKERT: Good afternoon, Chairman and senators. It's been a long day already. We'll try to make it as quickly as possible. My name is Mike Eckert, E-c-k-e-r-t. We welcome the opportunity to be in front of you. I'm joined by Tom White, the owner of the land that we're going to discuss. We're kind of unique here today. We're a private-sector group. I have a civil engineering company that has done the work on this project and are proposing it as an alternative site here in Lincoln. So with that, I'm going to turn it over to Mr. White, to begin the discussion. [LB435]

TOM WHITE: Good morning...oh, good afternoon, I guess. I want to thank you for giving us this opportunity. We're here, as Mike said, just... [LB435]

SENATOR ERDMAN: Tom,... [LB435]

TOM WHITE: Yes? [LB435]

SENATOR ERDMAN: ...do you want to state and spell your name for us, please?
[LB435]

TOM WHITE: Okay, White, like the color, W-h-i-t-e. Tom. We're here today in a unique situation, in that we are here just to give an alternative site for consideration, if the Legislature determines that the State Fair does need to be relocated and it does need to be relocated in Lincoln as an alternative site to the 84th and Havelock parcel. That piece of ground and the Friends of Innovation Park who we wholly support their efforts...we wholly support their efforts but feel like we needed to get an alternative site to the one that was presented, in order to give you, I think, something else to look at. The funding sources that may be used at that site and that they've pointed out are also funding sources that potentially could be used at any Lincoln site, as well, and so with that, we wanted to let you know that we do support the university's innovation campus, and we are wholly supportive of keeping the State Fair in Lincoln. The parcel of ground that we have is located at north Highway 77 and Interstate 80. We have over 500 acres

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

assembled at this location, and we have it all under one ownership so that it is easy to work with. The site offers excellent visibility, 50,000 cars a day. It's in the Capitol View corridor, so the final design of anything with a new State Fair Park would be integrated with this view in mind. It's within an existing TIF district already, and there's 125 acres adjacent to this site that will be used for commercial development that we think would enhance the viability of the long term of the State Fair Park. [LB435]

MIKE ECKERT: (Exhibit 9) As a consultant on the site, I want to talk a little bit about it. This aerial photo shows you the location of it, and as Tom mentioned, it's at the northwest corner of Interstate 80 and Highway 77 north. South of it is North 56th Street that leads back into Lincoln, and this aerial shows the interchanges to the west at 27th Street and I-180 right here. A unique site, in the respect that it is also on the edge of (inaudible) limits for the north side of Lincoln, so it's going to be surrounded by agriculture to the north for some time. The next slide here we put together. What we did was, we just took the consultant's study of their ideal fair and tried to show you how it would work on this site. The first thing I do want to point out is, the location generally in here is reserved for commercial development. The North Bluff Employment Center group has that zoned in the comprehensive plan as a commercial area, so there's going to be a lot of supporting uses that could be developed around it. Basically, again, this just fulfills most of the things that were discussed in the study--adequate parking, adequate retention, and the configuration that we did on the site here is basically aligned--this vendor space--with a view of the Capitol. And again, we've basically consolidated the equine and animal stuff, the exhibits, and administration building is here, provided a one-mile track, multiple entrance points on this site so we can come in off of Bluff Road, we come in off of 40th, we can come in off of Highway 77. So you know, really a site that is unique in Lincoln, because the ownership entity that we're speaking of has over 525 acres out here on this mile section. The next slide is just that if the ideal State Fair was not so ideal in the minds of the taxpayers, that we could easily go down to about a 300-acre site here, basically all the same features--a few things get trimmed back. But we still have the adequate parking, great access to the interstate,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

etcetera. This site is just simply zoomed in for the audience to kind of see the layout that again, tried to integrate everything that was in the consultant's study. That is [LB435]

TOM WHITE: Mike, you want to go back to the slide...also want to point out that down on the bottom there, where it says "Capital View," that is a site, 33-acre site, that's already owned by the state of Nebraska that is, our understanding, is going into surplus--an old rest stop that is being used for kind of a construction rest stop at this point, for... [LB435]

MIKE ECKERT: The Nebraska Department of Roads has shut it down. It's being used for construction staging during the widening. Interstate 80 in this area is currently under construction, to be widened to six lanes, and North Bluff Employment Center surrounds this property, and by the statutes of NDOR, when they declare that surplus, they first have to offer it to the surrounding land owner. So what we're throwing out: There's an additional potential 33 acres there for expansion that is owned by a state entity. [LB435]

TOM WHITE: Okay. We looked at the same site selection criteria that the consultants had looked at, as determined by the consultants to see the strength of the 56th and I-80 site. Our site satisfies the most important criteria as far as population of 500,000 within 30 miles. It has superior regional access with the six-lane future I-80 corridor, as well as four-lane Highway 77. It has tremendous visibility, lots of traffic flow going by it. It has expansion opportunities and it's close to existing hotel rooms, (inaudible) at 56th and Cornhusker Highway, 27th and I-80, downtown, and as well as the airport exit. It is also...the ground here is all good ground. There's no flood plain ground, no...nothing has to be done environmentally to make this piece of dirt work. It's a great piece of ground. And so it's all usable. We did the same self-grading that the 84th and Havelock site did and went through that, and we graded ourselves out at 43. We feel that if this kind of criteria is going to be used, though, in the future as far as the grading, that there are some things that we think that right now it gives equal to really unequal success criteria, in that it gives the same score for 500,000 population and good regional access

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

as it does to the soil structure and the topography, which we're not sure that, from a success standpoint, that those necessarily should be graded the same on a point scale. But anyway, nevertheless, if that criteria is used, we just hope that that's examined a little bit further, even though we did score fairly high. As far as our particular site, we have several options that we're hoping we're given the time to explore with the State Fair Park and the university. We're open to several things. We are...the ownership of this ground are developers, and land developers in Lincoln and have been for the last 20 years. We've developed over 3,000 acres of land in Lincoln. In that time frame we feel like we know what we're doing from a development standpoint, and we're open to some creative aspects of what could happen here--anything from land swaps to outright purchases to a combination. This particular slide just shows you basically what we have here. We have 300-plus acres at 56th and I-80. The university has 207 acres on the west side of 84th and Havelock that's good, developable ground, as I would call it, from a developer standpoint. The ground on the east isn't as desirable, because of flood plain and floodway restrictions, so it's not as attractive to us because of all the restrictions that are being put on that type of ground for development. And then State Fair Park, of course, has 251 acres, of which a considerable portion of that is also on the flood plain, as you know. But it just seems to us that with the properties that we have in mind, and we know we need the time to explore further what might be able to be done as far as through exchanging or exchanging and cash equities or whatever, that we could everybody to where they want to be--get the State Fair Park to a good piece of ground, developable ground, that we as developers could use that the university now owns on 84th and Havelock, as well as then getting Innovation Park to where they want to go on the State Fair Park ground right now. And really, in summary, we do support the creation of the Innovation Campus on the current State Fair Park location. We feel that the financial success of the new fair location is dependent on reaching critical population base surrounding Lincoln, and of course, that it should stay in Lincoln. The North 56th and I-80 site meets a majority of that criteria, and we feel it is the best long-term site. We understand from a dollars-and-cents standpoint, even though many of the things that the 84th Street site does have, we may be able to utilize, as far as

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

financing situations and contribution situations, if the Legislature determines this is the piece...this is where they want to be, as opposed to someplace else in Lincoln, be it 84th and Havelock or someplace else, if they do stay in Lincoln. We of course don't have any existing buildings, so we don't have that head start. We got into this a few weeks ago and were kind of asked to submit a secondary site or an alternative site, and that's what we've done, and it is an excellent site. Right now it's zoned for an employment center situation as well as commercial and retail real estate, so it's going to be a good piece of ground, no matter what happens with it. But we thought it was a good alternative as a possibility for the new State Fair Park. And we thank you for your time. [LB435]

SENATOR ERDMAN: All right. Thank you, Tom. Thank you, Mike. Before we go to questions, I'll just remind everyone here that the criteria that were given to us by the consultants was not designed to simply add up, and the highest score wins. We were cautioned that both presentations, as well as in the report, I believe, that you have to have expertise in professional judgments to know which one is worth more, and so your observation is correct: It was the exact same point that the consultant made, that equal weight should not be given to each criteria just because they have the same score, but you obviously have to analyze each one for the value that they would contribute to a future site or the existing site. So the point is well-taken. Other questions? Senator Chambers. [LB435]

SENATOR CHAMBERS: Other than out of curiosity--I have no reason to ask these questions--but when I drive the interstate, I'm aware of this rest area that they have shut down, and it's kind of on a hill that slopes up from the interstate slightly, but then when you go to the west of it, the land slopes down. Would you have to grade that, either cut it...would you have to cut it down. Where it says "Capital View," is that rest area that's no longer there? [LB435]

_____: Um-hum. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR CHAMBERS: So you can't see from the interstate what's on the other side of it, but when you start going west, then the land slopes down away from it. Would you have to raise that or cut any of this down, because I can't see on the other side from the interstate what that land looks like. [LB435]

MIKE ECKERT: Right. Yes. We reached an agreement--it took us several months--that the general berm right in this area, Mr. Chambers, will be removed. They've cut into it. We've remove the portion of dirt on our site, then yes, with a minimal amount of grading you get back to...this area here with the "Capital View Corridor" also corresponds with the ridge line of the property. You can't see that past the rest area, but with a minimal amount of grading right in this area, it opens up that view even more. [LB435]

SENATOR CHAMBERS: Okay. [LB435]

MIKE ECKERT: So this has been designed to try to minimize the grading needed on the site by putting most of those functions on the crest of the hill... [LB435]

SENATOR CHAMBERS: Got you. [LB435]

MIKE ECKERT: ...and maximize visibility. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Other questions? I don't see any. For being at this for a couple of weeks, you've sure done quite a bit of work. We appreciate it, and thanks for coming. [LB435]

SENATOR CHAMBERS: Yes. [LB435]

MIKE ECKERT: Thank you. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

TOM WHITE: Thank you. [LB435]

SENATOR ERDMAN: Our next and final formal presentation will be from the Nebraska State Fair Board. How many chairs do you need, Tam? [LB435]

TAM ALLEN: Just three. [LB435]

SENATOR CHAMBERS: Somebody is going to sit on somebody's lap? (Laughter) [LB435]

_____: Not mine! [LB435]

_____: Not mine. [LB435]

SENATOR CHAMBERS: So you gentlemen will know why I made that comment, you didn't see what looked like the entourage following you. So maybe some of those people were just leaving the room. [LB435]

_____: Well, that happens all the time. [LB435]

SENATOR ERDMAN: All right. We have 12:40 on the clock. Go ahead, gentlemen. [LB435]

JERRY FITZGERALD: Good morning. I'm Jerry Fitzgerald of Gering, Nebraska. Jerry with a J-e-r-r-y, Fitzgerald, F-i-t-z-g-e-r-a-l-d. I'm the current chairperson of the Nebraska State Fair Board, and good morning, Senator Erdman, and to the rest of you, good afternoon. (Laughter) [LB435]

SENATOR ERDMAN: I picked up on that, Jerry. I appreciate that. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

JERRY FITZGERALD: Okay. I would like at this time to thank the legislative Agriculture Committee for the efforts and the time you've committed to LB435. We applaud the method in which the studies have been presented and although the Fair Board may have their own thoughts and opinions of what we would like the result to be, we are very interested, as I know you are, of having this matter resolved within the near future. The State Fair Board has been very diligent in our efforts to follow all the rules which have been requested of us as this study has progressed and is now coming into some fruition. It certainly has been difficult in the last year to go forward with any planning or adding capital improvements or finding public partnerships to refurbish some of our facilities with the uncertainties that have been centered on our Nebraska State Fair Park. Again, I thank the committee for your efforts. During the same time as the LB435 studies have progressed, the Fair Board was also asked by Governor Heineman to meet with the University of Nebraska and the city of Lincoln to study whether collocation of the State Fair Park and the university would be or could be a viable solution. As you know, university, Fair Board, and city of Lincoln representatives did meet, as requested, and after several hours' discussion and (inaudible) the shared use of existing space and facilities as possible, it was agreed simultaneous programs at the park appeared to be not a viable solution. We have seen, heard, and learned about many options today for State Fair Park. I most applaud the indication of the university to expand the Devaney Center and their interest in refurbishing the 4-H and Industrial Arts buildings. The Fair Board would be most interested in visiting about the coexistence of the board and the university concerning these buildings. It should be noted out and pointed out at this time that this exercise before us this day did not start because State Fair Park decided we would like to move. We're very satisfied to stay where we are. The board has said from the very beginning that we're not interested in moving the fairgrounds if it was using taxpayers' money, nor would we solicit any other group to do so for us. I think it would also be noted at this time that certainly State Fair Park and the fair board is not against any other future research and technology parks that would be available. Mr. Allan will soon be making a presentation to what the fair board's vision of what State Fair Park will look like at its current location. You will see at that time how the improvements that we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

have envisioned will be the assets to the park, as well both the university and the city of Lincoln. Again, thank you. [LB435]

TAM ALLAN: My name is Tam Allan. I'm vice-chairman of the State Fair Board, and that spelling is T-a-m A-l-l-a-n. And I appreciate...it was said before, is that the committee has really done the heavy lifting work on this issue. This has been a long day. Hopefully this will be short. The first thing that I need to preface my remarks about is, we are not here seeking money. I've just always wanted to say that to a legislative committee. (Laughter) [LB435]

SENATOR ERDMAN: We will make note of that, probably have it enshrined somewhere. [LB435]

TAM ALLAN: (Exhibit 10) Thank you. The reason why I preface my remarks with that is that in our presentation that we're showing, we've limited ourselves to, just as what my chairman has indicated, is that we are not seeking taxpayer money to do...to make the improvements to the State Fair Park that we're talking about. And that is a limitation. There's good news for the taxpayers; there's bad news, is we can't show the shock and awe, as perhaps some of the other people can do. As you see behind you, this is a depiction of the State Fair Park as it is. The important difference is--and it is very important--it shows the completion of the Antelope Valley roadway that's under construction. A very significant thing is it also shows, in this area right here, is that the closure of the 17th Street entrance that's been there for years, during that development. And that's closed right now. It's affecting university functions at Devaney Sports Center, it's certainly going to affect our operations next year. What you do see, and like I said, this is a completed one, is that with the construction of the roadway, this intersection here, this entranceway, is already in place. There will be another major entrance here, with a full curb cut for this four-lane street, and that's in addition to a much-improved entrance over here at 27th Street. And obviously, that's universal to any use for the property. The problems, and there are problems...some of the challenges that we have

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

at the existing campus is during the fair time activity, is that this entranceway is literally not usable, because we kicked people around to be able to go into the parking areas, and as indicated in the HOK report, parking is a very critical matter that we've thought long and hard about, and what to do with. And so especially with the closure of 17th Street, that's a much more important question. So the next slide, what we'd be going to, is what our immediate plans for the park would be. The board has taken action as far as on moving forward, assessing prices for this area right here, is cleaning up...not cleaning up, relocating the agricultural buildings that we have at that location and moving those buildings to an east location to consolidate the agriculture buildings together and to take advantage of this, another main access at this point. This does a number of things, because, you know, our operation is a 365 operation, that this serves the Devaney Sports Center right here. Here's where the Lincoln Stars ice hockey team practices, and of course we have the horse-racing function over here, that goes year-round every day. And then the other thing, very important thing, is a connection of a roadway system into the two big entrances to the fair. Now depending on the event, is that that will either be closed or opened, or like during the State Fair this would be impractical as far as moving a lot of people in, but it would be invaluable for moving in and out, as far as exhibitors and other space. But other times during the year, it will be invaluable as far as moving people to the horsemen area over here and also being able to provide a clear access way after events at Devaney. And then of course, like I said, the events at the coliseum for the ice hockey...I mean, there's times that we have--I don't know--three or four, five events going on at one time at the State Fair campus. And when I say the immediate plans for this is that particularly this parking, this roadway here, we were prepared to move forward to do that immediately after last year's State Fair. And again, we're not seeking any money. We had funds set aside to go ahead and accomplish that work, and then renovating these buildings over here, and right there--you can see my marker there--that's the 4-H Building, and then...which we have in the study, the HOK study, and I think Kurt will speak to this a little bit later on. We have been approached with a very generous offer as far as people wanting to contribute to help the renovation of that building. This building is a livestock building, which we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

already have the costs to go ahead and renovate. The new blue buildings which you see there--and you can see the legend there describing those buildings over there--that replaces the function of this area over here, consolidates into this area. So essentially the State Fair Park has two centers of activity, both based off of main entranceways for various times of the year, depending on the function of what is going on. Also, on the parking, this provides almost 1,000 extra parking stalls, so for the State Fair activities itself, and also it's the use of the infield area for parking on that, that doesn't interfere with our State Fair activities. This area, of course, would not be used during the horse-racing season. The other important thing over here is, we've got some dilapidated facilities over here, and we would be creating new racehorse facilities for the horsemen at this location. So this stage we're calling immediate, and we think that we could even accomplish some of those items before next year's State Fair. The next slide is talking about areas that we would have as future plans. And I'm not saying...is that...that's the time that we come talk to you about money? Might be, except we think, again, the strength of being at the historic location of the State Fair is that the improvements that we're talking about...and we have a question mark as far as what that will be, because in visiting with the horsemen, we want to make sure that there's a facility that works out well for them. This is the Industrial Arts building. That is something that we just have to figure out, again, how to pay for it, how that it works. I mean, there is consideration that it is hard by the new Antelope Parkway there. We want to make sure that there isn't any damaging situation. Then probably the next thing, the important thing, and again, is that we would be seeking, through our own funding, our raising of money, would be this area right here, is in that replaces the...there's an expo building right here. There's horse barn right here that has been replaced with this activity over here. This would be a multiuse building, and it models after the HOK model, or it goes along with that, of approximately 60,000 to 80,000 square feet, and which you see, it has this terrific parking right in front of it that could take advantage of both activities at the coliseum and at the Devaney Center. I think the next one is a breakdown of the money. We use this for reference, the HOK-Phase II. We have assigned values of what it would be for our immediate plans. We feel that--I mean, we do have some cash reserves, I'm happy to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

report--is that with a combination of that and some other resources that we've identified, is that this is something that we can start...some of it immediately, and actually that item has already been accomplished through our operations, and that we can pay for that. The future plans, as you can see, these are the items coming down there. If you see in the HOK study, and there are...cash flow breakdown of more revenues coming in over the period of the fair, in addition to...we are going to conservatively manage the lottery money that's allowed us on that, and we don't plan on a \$3.2 million advantage every year. We take a much more conservative approach than that, and these are items that we feel that we can go ahead and fund over the 15-year period that we've used as a model for that up there. I mean, some items that we might at a later time come talk to you about, there are some items as far as ADA, some life safety issues, because...that we might approach with you on. They're not necessary at this time, because you know, indeed, they're your buildings. And that goes to the next point, is, there is never a time that we don't appreciate, as this committee, representing the Legislature, representing the state of Nebraska, this is your property. Any decisions that you're making today or financing that you're considering taking place, we're managers and do this on behalf of you, and we never take that lightly. And we're sincere about that. So I'll be happy to answer questions that you might have on this. I think Jerry wants to say a couple more things, and then Kurt wants to say, and we'll be happy to answer any other questions. [LB435]

JERRY FITZGERALD: Well, again, we just want to present to you that we really thank you for this opportunity. This has been a long job for us, and it's been very difficult, as I said, to go forward. When I became chair, one of the first things that I kind of pounded my fist on, is that I wanted this 4-H Building brought back to its glory. That building was built in 1931. It had to be quite a building when it was built in 1931 at that time, at the site it was built. We have...I'm an agricultural person. I'm very interested in technology, and I would like to bring that technology back from the other end of the state to this end of the world, too. Technology to me has a very broad sense, and so we would like to be involved in that. And as I said, again, thank you. We appreciate your time. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: All right. Kurt. [LB435]

KURT YOST: Chairman Erdman, members of the Ag Committee, my name is Kurt Yost, and I appear here today as chairman of the State Fair Foundation Board of Directors. [LB435]

SENATOR ERDMAN: You want to spell your name for us, Kurt? [LB435]

KURT YOST: K-u-r-t, Y-o-s-t. My comments are very brief, because in my three years of involvement with the foundation, we have pretty much, Mr. Chairman, had to sit quietly while this whole thing sorts itself out. We...as Tam pointed out, we are in a process of patiently waiting, so to speak, for decisions and direction so that we can go to donors, corporations, and what have you, to seek support for the continued growth and remodel or move, or whatever the case may be. But we currently are pretty much hamstrung until we get some clear direction, because the donors want clear direction as we go forward with, as Jerry pointed out and Tam pointed out in the PowerPoint, a \$4.6 million renovation of the 4-H Building. We as a foundation need to be involved in that, if in fact that goes forward, with feasibility studies as to the monies available, and who is and who isn't interested in support. So we encourage you to give us direction as we go forward. [LB435]

SENATOR ERDMAN: Okay. Thank you, gentlemen. Any questions from the committee? Senator Chambers. [LB435]

SENATOR CHAMBERS: Mine is just a statement. I talked to Mr. Allan, so he's aware of my attitude toward that so-called alligator wrestling. I was offended, I was outraged, and I don't want to ever see animals treated in a way that's cruel and inhumane, for the entertainment of people. If the culture of Nebraska is the misuse of animals for entertainment, they need to change that. If they are trying to rear children to believe that

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

mishandling these animals in this fashion is fun, humane, and the way human beings, as the stewards of this creation, are to mistreat these animals in this way, they need to get a different view of how children should be reared. When you teach that cruelty to animals is all right, it's not much of a step to take that over to the way you mistreat people, and if anybody would take the time to do just some cursory reading about the amount of trauma, stress, fear, and anxiety put in these animals when they're taken long distances across the country, out of their native habitat, put in the presence of a lot of people with a lot of strange noises, sounds, and smells, then they're mishandled in this way for the amusement of people, it may not affect people the way it affected me. But the fair board is fortunate that I'm not going to be in the Legislature next year, because they probably will say, we're going to do it again, because by God, people in Nebraska love this. They'll pay to see it. So the next time, what will they do? Say you'll give them pliers and they can come and pull some of the scales off the alligator? You can take something and get rid of that eyelid that's different from other creatures? And I wanted the opportunity to say it to you all, because even though I won't be in the Legislature, if you do it again, and I have to do it alone, I will come down there and picket your fair, and I'll picket that site. It is not necessary, it does not do anything to uplift this society, it serves no civilizing function, and again, if that's the culture of rural people, then I think they ought to be ashamed of themselves. And if it's not their culture, they should not let it be projected as though it is. And I understand those rascals were paid \$15,000 or something to do that to these animals? [LB435]

_____: Yeah, I think so. [LB435]

SENATOR CHAMBERS: I hope that it doesn't happen again, and I just wanted that on the public record, because I don't throw a rock and hide my hand. I don't attack from ambush. I want it out there and to make it clear that whatever I can do to prevent, that's what I'm going to do. And if some of these savage Nebraskans get so irritated that they want to attack me physically, let them attack me. I know how to defend myself. But I'll tell you when I will agree to let it happen. Don't put the animal in a shallow pool and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

make everything advantageous to the human being. Let there be at least ten feet of water and release the alligator in the water and release the man in the water, and then let them have at it. And then maybe I'll pay to come see that. (Laughter) [LB435]

TAM ALLAN: Senator Chambers, I enjoyed our conversations at the time when we talked about a lapse in judgment, what I feel, of the State Fair Board. On the State Fair Board itself, as we discussed, is that we have animal experts almost of every kind on there, as relating to anything in Nebraska. And I think what I told you at the time, in just analyzing it, we were awful short on experts on reptiles, and so I think that the State Fair can offer entertainment in a very proper and appropriate manner, celebrating the livestock and the animals that are coming from this state, although we have a camel ride that is extremely popular. But I take your point very seriously, and that is something that won't happen again. [LB435]

SENATOR CHAMBERS: I appreciate it. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Senator Preister. [LB435]

SENATOR PREISTER: I would start by saying I echo Senator Chambers' comments on what we project to children and how we do things, and agree with his position on that and appreciate your not having that particular activity. But the camels and the other things that aren't native to Nebraska brings up another issue. Do we have a vision for what the State Fair is to become in the state? I think it was in the Grand Island presentation I saw what looked like a mission statement, and it was a nice, lengthy statement of what the State Fair is. But in terms of a vision plan and what we are, what we're intending to do, how that is carried out in that mission statement, do we have that? Does the State Fair Board have anything like that that they're working on, if we don't? [LB435]

TAM ALLAN: I believe that we do. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

_____: We do. [LB435]

TAM ALLAN: It's just like a candidate running for office, is that the incumbent has a record to go off of, and however good or bad that record is, we're an open book as to our successes and failures on what we're doing. The thing...I think it was in the Grand Island presentation, that they were talking about the actual statute. I regard that as my mission statement, of providing what we're supposed to do at the State Fair Park with the State Fair, and whether we achieve that or not, that is something that I personally strive for. Jerry? [LB435]

JERRY FITZGERALD: No, go ahead. [LB435]

TAM ALLAN: No. I hope that answers your question, sir. [LB435]

JERRY FITZGERALD: Well, Senator, we are very interested, and in the time that I've been on the board, education is one of the most important things that we can do out there. And when we talk about moving the fair west because that's where agriculture is, that's not necessarily what I want to do, because we need to educate the people on this end of the state about agriculture. Two or three years ago we brought a combine back on the place; it was \$220,000. We had more people crawling around a combine. We showed them what it costs to operate this combine, and there was more pictures of people taken up on that combine than we'd ever seen. The birthing pavilion that we have there is absolutely great for the number of people that come to our fair who have never seen a piglet born, who have never seen a chick born, whose never seen...it's been a great situation for us to present those situations. Education is as much a part of this. We can talk about the fried food and we can talk about that. Education is very important to what we want to present out there of the agricultural community. [LB435]

SENATOR PREISTER: And I would agree with both statements and appreciate your

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

responses. I guess I've heard it from other presenters that we need to know where we're going so we know how to get there. We've got an idealized version of what a site and a fair that will attract people, and perhaps more than just ten days of the year. But how do we financially keep it operating and make it pay for itself? You're in a difficult position in trying to bring in the revenue, bring in people to the gate, make it pay. We've restructured the board, legislatively we've done things, you've attempted to do things. It's an awkward job and an awkward position, and I recognize that. I guess what I'm hearing, though, is we need the vision; we need the map of what we want it to be. Is it a place where we bring camels and alligators? Is that the kind of education? And I'm just using that example. What is it that we want to do? It seems to me that the fairs have tended to be about the past, about what you've grown, what you've produced, what you've done, in the hopes that you do something better in the future. That's well and good, but our demographics from the numbers we were shown show a lot of older people that are the primary fair goers. So if we're trying to educate people who already understand it, how are we reaching the younger people? What are we doing that attracts them in a way that ties in with the mission? And that gets me back to the mission plan of, what are we as a State Fair? Where are we going? What do we want to do? And if that's in writing, I would like to see that. [LB435]

TAM ALLAN: We can speak to...and I appreciate your comments, Senator. I wouldn't hope that you would be saying is that agricultural items, or those (inaudible) or family farms and those things are in the past, because I'm a city person. I accept the things that excites me most about seeing the State Fair, just for that State Fair period on a daily basis, is all of the young people in 4-H and FFA--I don't know how many members, the people, come through. [LB435]

JERRY FITZGERALD: There's 225,000 4-H children in the state of Nebraska. Five thousand of those children bring 15,000 exhibits to this fair. Now you talk about research and development, you talk about technology increases technology. Look at cybervision, and we're looking at robotics, trying to bring that part in it. We have children

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

who know how to raise a dog and show a dog, and raise rabbits and learn responsibilities, and I think that's part of growing these people, these young people across this state. We want to keep those people here, too. But that's the way...the responsibilities. My children went through it. I went through it. It's a great way to learn how. But we still need to teach the children in this end of the state that there are a lot of things that they don't...you know, chocolate milk doesn't come from brown cows--facts. (Laughter) Brown chickens don't lay brown eggs necessarily. They lay...some of them lay white eggs. [LB435]

_____ : Is that right? [LB435]

JERRY FITZGERALD: Yes. [LB435]

TAM ALLAN: Okay. [LB435]

_____ : But they do also lay brown eggs. (Laughter) [LB435]

JERRY FITZGERALD: Yes, I know they do. But there are those opportunities, and I think we need to...you know, one of the best programs we had here through the years, when we have a good program of the state's largest classroom. We bring in a large group of kids. We get them around the fairgrounds and they see the livestock and they see the animals and they see those things. To me that's education. That's what we need to do, and that's teaching these children a little bit about reality that's out there besides looking at a 360 box and killing everybody. [LB435]

SENATOR PREISTER: And I agree with you and I agree with the education component, and as somebody who grew up on a farm and appreciates all of that, I see the need. But I also recognize a changing society and a changing agriculture... [LB435]

_____ : We do, too. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR PREISTER: ...and a need to adjust to that. [LB435]

_____ : We do, too. [LB435]

SENATOR PREISTER: And that was why I was even looking at, not being locked into one way of viewing how we do the fair and suggest at a statewide kind of concept, to get people to think beyond what we traditionally do. And I'm sure you're familiar with what happens at the--I don't know how often it happens--but the Olympics. And the Olympics are bid on by different countries. It moves around. We have the Summer Olympics, we have the Winter Olympics, and we have different venues there. And those venues--and I thank Senator Chambers for giving me that word--those venues aren't all in the same location. We're not limited by a site. We can have a site, but we can be much more than that, much more than we do now. And I'm hoping to get us so that we can continue a wonderful State Fair that provides wonderful education on what the farm used to be like, but also where it's going in the future and prepare young people and get them to want to stay here. So I support your mission; I'm just hoping we can think broader and we can find ways of working together so we can do all of these things. But I would like to see a mission plan. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Preister. Senator Chambers. [LB435]

SENATOR CHAMBERS: From where do these camels come that are used in the rides?
(Laughter) [LB435]

TAM ALLAN: Hutchinson, Kansas, I believe. [LB435]

SENATOR CHAMBERS: Because those at the zoo in Lincoln are treated horribly. I don't go to zoos. I can't stand to see any creature in a cage. One reason I won't wear a shirt with a necktie, a collar, I can't stand anything that confines or restricts me. And

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

then I'll look at these animals in the small amount of space. They don't behave in a normal way. Many of them are just pacing all the time, back and forth, back and forth, back and forth. The camels that I saw were in such bad condition that were I in a situation where I were wearing a younger man's clothes, I might have done something to try to free them. Their coat was coming off--huge patches of bare skin. They were lying on dirt; some were very hot. And maybe they were trying to show you how much heat camels can stand, but I think their coat is supposed to provide them a degree of protection. That's not happening at the Lincoln zoo. So if I had my way, there would be no zoos, there would be no circuses other than that one that comes from France and Canada where the humans perform all of the acts, and they have tremendous turnouts--no misuse of animals. But if you were going to tell me that these camels come from the Lincoln zoo, I was going to say we need to talk about that, too. But at some point I will discuss with you, Mr. Allan, since we had already started the discussion, some of the things that are done where people interact directly with animals. [LB435]

TAM ALLAN: I look forward to it. [LB435]

SENATOR CHAMBERS: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. Senator Karpisek and then Senator Dierks. [LB435]

SENATOR KARPISEK: Thank you, Senator Erdman. We've heard a lot about the best and highest use of the land. The university has talked about that and made a good point. What do you have to say about, why do we need to keep the fair where it is, or what is the big...why is that the best place for your fair? [LB435]

TAM ALLAN: Well, good question. What I do, other than be on the State Fair Board, is my profession--I am a commercial real estate developer, which is almost as bad as being an attorney, which I'm that, also. (Laughter) So I look at everything for location,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

access, highest and best use. One of the things in looking at this site here, and maybe this goes way back to more of a threshold question, when I look at this ground, there's many different ways to determine, is this the best use? The university certainly has a vision for their use of the property. If you remove the proximity of issue, which...but it's huge, I understand it from the university's standpoint, it works pretty well for us, particularly with some of the new locations of the entrances and so forth. But it is an area...let's say if you were...if the State Fair wasn't there and it was bare property, this would not be highly sought after property for development by private people on the (inaudible). And I understand this is an important part of this, is putting private people at this location. We're next to the railroad tracks all the way along, which has now become a main line. This is one of the impetuses for doing this, is providing some access over those rail lines. The sewage treatment plant is right here, and it doesn't affect our operations that much, but when the wind is going the other direction, you do smell some of the process of the plant. This is an area...this is a concrete plant area over here. It's an industrial area over here. There's grain mills over here. This is an economic area that I would just say has not been maximized by whatever reason. And so I always question when you look at areas, particularly around that has not been, by private work, of any of the areas around there, been developed for normal private reasons, is why this area right here would be a desirable area for something that is so important as the university has indicated, to the state. The other thing is, on the proximity issue, is you do need to get into a car to go over here, regardless of the proximity. I mean, you've got to cross a creek. I know there's a walkway that you can go do that, but on days like this that would be kind of tough, because of the state that we live in. You do need to take a vehicle for that. If you recall, and I think that you have the sheet in front of you, something that struck me when I first saw the plan for the Innovation Park is lack of, relatively speaking, of surface parking. It is an extremely intense use of the property over there. There's four very large parking facilities, and every site, for whatever use, has different compromises that you have to address. My thought is, I think it's too small for perhaps the use that they're talking about, because otherwise, you don't have these very large parking facilities for that. And with the density of use, because it's a very high intensity of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

use--this isn't in an urban setting; this is away from the downtown area--it's basically...literally, as you can see by the waterways there and with the railroad tracks, it's an island unto itself, and that's a difficult area to develop. So for our purposes, it has worked out pretty well. I don't know about the other. [LB435]

SENATOR KARPISEK: Okay. [LB435]

TAM ALLAN: Thank you. [LB435]

SENATOR KARPISEK: Thank you, Senator Erdman. [LB435]

SENATOR ERDMAN: Senator Karpisek. Senator Dierks. [LB435]

SENATOR DIERKS: Yes. Gentlemen, you've been chastised a little bit about some things, and I wondered if you would take the opportunity to tell us about some of the good things that have happened at the State Fair in the last several years, (inaudible) above where we were going before. [LB435]

JERRY FITZGERALD: Well, I think the biggest thing of it is, in the last five years we have continued to increase people who have come to our fair. We have tried to change...enhance our presentations to educate. Our fair, that fairgrounds, as everyone likes to talk about, is a ten-day fairgrounds, is wrong. We will go back and could show you what we call an event day, is four hours a day. We have over 600 event days there. That does not count the horse racing, does not count what goes on at Devaney. It's not like those facilities sit empty year round. We are very much interested in expanding some of those uses, and if we can...as we expand and some of the situations that Mr. Allan has shown you with the exhibition hall there that would also be, I think, an asset to the Devaney Center, would also be an asset to the city. Then that whole area would also be an area that would be useful and go forward. We've been trying to go forward, but the plan has been difficult. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR DIERKS: So what have you done in the way of changes to increase interest from the state citizens? I mean, you talk about having a combine out there, for instance. When I used to come down to the State Fair with my kids, why, it was mostly all combines. [LB435]

JERRY FITZGERALD: That's right. I understand that. [LB435]

SENATOR DIERKS: And I know there's been some changes, but I've talked to some of the implement dealers in my district that have said, we just quit going there because there's more interest at Husker Harvest Days. And now we've gone back; we like what we're seeing. But I'm just wondering how much you're following that sort of issue. [LB435]

TAM ALLAN: Well, Senator, until we address issues of how to get into the place, which we're trying to do and we have a plan to do that, and how to better utilize the property that we have, that's a very valid question, because if you recall where the implements used to be--and that would be in that area right there...would be displayed--those were moved to another area because we ran out of room for that. I don't know how well-advised that move was there, because I do think that that's an important thing. And like I said, when we moved back the one machine which of course took up a large amount of that area over there, the reaction was tremendous. And so that is something, once we figure out better and are allowed to move forward on some of the improvements that we wish to make, I think we can make more efficient use of the property. [LB435]

SENATOR DIERKS: Okay. New managers make new differences, as well; is that right? [LB435]

JERRY FITZGERALD: Right. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR DIERKS: Okay, thank you. [LB435]

SENATOR ERDMAN: Senator Dierks. Senator McDonald. [LB435]

SENATOR McDONALD: On this "future plans," I don't see the grandstand for the horse racing in this photo. Tell me what your plans are for that. [LB435]

TAM ALLAN: What we're showing here is an expanded track, and what that is indicating, incorrectly--that's a smaller grandstand--we are revising our grandstand, because our grandstand right now is too large. It's inefficient. It's not what people want to see. We can do a lot better job in providing a new facility over there, and like I said, that doesn't show how big that we would make it. There is the old one right there, and that would be something that we've already figured on, that it's \$497,000 to tear the old one down. But we look forward to discussions with the horsemen on how to make that a better facility. [LB435]

SENATOR ERDMAN: Senator Wallman. [LB435]

SENATOR WALLMAN: Thank you, Chairman. On these...you know, this renovation of the track and some of these other buildings, is that bringing all the buildings up to code for that price you put up there? [LB435]

TAM ALLAN: Yeah, I don't think that we have very many that...I mean, we do have some examples, particularly with the Industrial Arts, is our glaring example poster child of...is, no. That indeed does. We've done...a lot of complaints have been made, is that since our near-death experience, gosh, you haven't done anything out there. We have been repairing the bones of the operation. Those with the...the basic facilities, the infrastructure, we've been spending a lot of money on that, and like I said, in respect to these proceedings, we have not decided to do anything else until some of these issues

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

are resolved. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. It would be maybe an obvious observation, but maybe it's a presumption that regardless of where the State Fair is, the State Fair Board would be responsible for it. The fact that it's currently located where it is, is in statute, and the fact that we have a property management agreement with the existing fair board to do that is a reflection of that. There are a number of proposals that are before us, but it would appear that regardless of whichever proposal may be there, notwithstanding the ones you've put forward, there's probably going to be some time to actually fulfill any of them, or even your proposal. Some of the things that you have in your immediate plan, such as the additional parking, the relocation of the livestock facilities, some of those things have been in the works for years, and they've probably been on hold for a couple of reasons; one is financing and the other one is the uncertainty of the future of the site. It would appear, looking at the different proposals that have been presented here today, that a lot of your immediate plans to coincide with a lot of the other proposals for that site, regardless of who is using them. Has that been discussed? I mean, obviously we're in a dynamic where we're not discussing how to work together at this point; we're trying to win the game, whichever position you're at. Have there been any discussions in the past between the fair board, the state of Nebraska, the university, the folks that use the ice box, the Lincoln Stars, about some of these existing plans that could be done immediately and would likely be done regardless of what the outcome is of the future of the State Fair? [LB435]

TAM ALLAN: Yes, at a very early stage, and we were told not to, before even these proceedings, your activity on that, because any improvements that we would make to the State Fair would make it harder to move. I agree with you, is that such as some of the work over here, as creating the parking field, I had made the comment to our board member, the chancellor, at one time is, we'd be doing your work for you, regardless of whatever the result of the determination on the State Fairgrounds would be, and there was, if you recall in the initial bill, a prohibition in the bill itself that they had proposed, for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

us to make any improvements. There...this connector piece that goes over here, that's in both proposals. The renovation of the 4-H Building is in both proposals. The determination of this building is also in both proposals. As you can see, of the immediate things that are going to happen, the hockey team people in the coliseum would be tickled to death to be able to have front-door parking in this area over here, and we wouldn't have to park the people going to this weekend's basketball in the goat and sheep barn. We would love to be able to move forward with these items, pending resolution of these issues before you. [LB435]

SENATOR ERDMAN: And maybe, to further expound on that, I think regardless of resolution, those things are probably in concert with the other proposals. And so whether we've resolved the site and who is going to use it for what purpose, the reality is, is that some of those improvements could be done. And maybe I'm just being realistic here, but I'm thinking I'm willing to put up \$15.8 million to renovate buildings that are going to be there no matter what, I would think that that would be an offer that should be offered to whoever has the site, because you're improving the facilities. And there's some dynamics in this, I recognize, but one of the things that I think is...and I think you're right. Your analysis is correct. We have encouraged, and I think the parties have agreed to somewhat of a cease fire, to allow the situations that are present today to be evaluated, to make a decision for the future. Some of the questions that have been asked are good questions, but they're probably somewhat void of the realities that you've been at bay, while the city of Lincoln and the folks have tried to reevaluate what their proposals are, and at the same point, now this process has come along, and it's similar to what the Lancaster County Event Center had to go through with their bond proposal that they're continuing on now, that they delayed that until there was some clear direction. They finally decided, we have to move forward. A lot of that has stopped. Kurt, you mentioned this. Your efforts to raise money, it has also stopped; some of the efforts in other parts of Lincoln to do what they think was in their best interests, because folks didn't want to go out on the limb, only to have that investment be taken away from them. And you know, there's a lot of information that's out there, but there would appear

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

at least to me to be an opportunity that regardless of what this committee recommends or what process we would outline after the completion of today's hearing, that there's an opportunity to agree on some things and to move forward that would benefit everybody, regardless of what the final outcome is. [LB435]

TAM ALLAN: Let me add one other thing of more immediate concern--it's concern to us--is if...and Senator Preister, maybe you're aware of, is the horrible dilemma the city of Omaha has in the sewer system that joining part...I mean, it's a billion-dollar problem. There's one area in the city of Lincoln where that occurs. It only occurs on an infrequent basis, and that occurs in that area there, where our agricultural buildings are. There are several lift stations, and there is commingling of that over there. The good news is there's an easy answer: Move the buildings, and that does solve the problem of that, and you know, that's a big concern. And also, another thing, I go back to you senators and the Legislature. This is your property; this is your money. We don't have any money; we don't have any property. We do this for you, and so, you know, we totally defer to you on this, but what you're saying does seem to make sense. [LB435]

SENATOR ERDMAN: Jerry. [LB435]

JERRY FITZGERALD: The only thing that I would say, the indication of the parking lots and changing those sort of things, we do have buildings there, and they are livestock buildings, and they're buildings...so when you start tearing down buildings for that event, you need to replace those buildings. And that would be...what you're saying is tearing down the buildings and making the parking lot and doing that thing is the easy part. We can do that very easily. But we've got to replace those other buildings, and that's been my problem. [LB435]

SENATOR ERDMAN: And I think that's a good observation. We've also heard throughout this process and including from the consultant's reports that depending upon what the ultimate decision may be, there may be ways to accommodate livestock cost

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

effectively, still provide...you know, there are alternatives in the existing facilities that you have. You recognize that. Most objective observers recognize that. There's more than one way to provide the same type of services as we've heard today. The question is, are there opportunities to stop having folks wait and let people do, that it benefits everybody involved, and then we can deal with the bigger issues, because it would appear that regardless of what the outcome is, that there are things that could be done at a number of sites that may provide a benefit or may not. But in reality, everybody agrees it should be done. And so if there's the opportunity to do that, the only question I would have on this immediate plan is that your site projections show about \$800,000. Your cost of remodeling the livestock facilities is about \$4.6 million. Does the \$4.6 million include both the demolition, the parking, or is that just the facilities? Because I don't see a listing here, unless it's covered in the site, for the actual new parking.

[LB435]

TAM ALLAN: The short answer is yes. We do have all those numbers determined, and that is our intent to do that. There might be some opportunity for savings on doing that, but yes. [LB435]

JERRY FITZGERALD: Senator, some of the buildings that we're looking at to take down, which are metal...which is red steel, would be moved maybe to the back side of the fairgrounds, and so that would give us that space where the horse stalls...additional horse stalls would go into that area. So some of that would be cost effective of moving it rather than demolishing and then building new. [LB435]

SENATOR ERDMAN: Sure. Okay. Very good. Thank you, gentlemen. Tam, one last comment? [LB435]

TAM ALLAN: Let me...just a couple, to end this up with, is...the thing I want to emphasize to this group is, is that we're wide open as to other proposals for other areas. What we do stand on is that we don't want to abuse taxpayer money in doing that,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

because we understand how visions can sometimes turn into nightmares, taxpayer nightmares on that. Senator Chambers was speaking about something earlier, is that change in legislation that would not restrict the State Fair to being in the city of Lincoln. It's sort of like term limits, Senator, is that if it isn't working to be here, or it's determined on that, I don't want to stand behind a protection of a law for that. I would be willing to take the chances, and actually listening to some of the presentations today, I know we as a board are going to visit with the communities that presented, even Kearney, to see what they've got out there. And we would have no objection to legislation that would limit...to remove that limitation on that. And your comment on the institution--I firmly believe, is that every institution should be reexamined to their validity of their existence, if they are following the mission statement, if they are following the purpose of what they're doing. And so I appreciate your comments on that, and we appreciate your input, so thank you very much. [LB435]

SENATOR ERDMAN: Thank you, gentlemen. It is 1:30. I appreciate your patience this morning. We are going to recess until 2:00, if that's acceptable to the committee. At that point we will begin taking public comment, and depending upon how much public comment there is, we will determine how much time we will take, but we will see you at 2:00. [LB435]

RECESS

SENATOR ERDMAN: Okay. Welcome back. Intermission was fun. Hopefully you all got something to eat. We had about 12 hands that I saw that went up that plan to testify, and I would like to be able to complete this portion, the public comment portion, within approximately an hour. I think that gives everybody at least five minutes, and if you want to say less than five minutes, that's great. But we'll reserve the time to ask questions on top of that, so your time won't be counted against you. But you obviously have sat through this morning's presentation, or maybe you were out doing something else and decided to come back. But we're grateful you're here. Again, all this information will be

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

part of our discussion later this afternoon, and we want to make sure that you follow the same procedures as we used this morning. If you're going to testify, get a copy of the sign-in sheet before you come up. Please fill that out. When you do testify, please state your name, spell it for us. You'll have your allotted time to say what you need to say. One of the things that I would caution you on this afternoon: If you are a member of one of the organizations that presented today, we don't necessarily need to hear from you again, and we definitely don't want you to come up here and recritique everything that's going on. We want to make sure that if there are obvious observations you'd like to make, fine. We'd like to hear that. But this portion is generally reserved for the public who would like to come forward and give us their opinion. You were given a very preferential spot this morning to be able to share your perspective, and we want to make sure that you are recognizing of that privilege. But at the same point, we want you to be considerate of those who are here this afternoon who weren't afforded that same opportunity. With that, we will open it up, and it's a free for all. So whoever would like to start it off, may. And if you can hand your sign-in sheet to Linda Dicken before you start, that would be great. If you have information to hand out, Molly in her 57 capacities that she's doing will get around to that. (Laughter) We appreciate our pages being here in the off season to help us. So again, state your name, spell it for us, and then you may begin. [LB435]

MARK HESSER: (Exhibit 11) Okay. Thank you, Chairman Erdman and members of the Agriculture Committee. My name is Mark Hesser. For the record, my last name is spelled H-e-s-s-e-r. I served as the 2007 chairman of the Lincoln Chamber of Commerce board of directors. The Lincoln Chamber supports moving the State Fair to a more compatible location in Lincoln, so that our state can pursue the university's concept of Nebraska Innovation Campus. We believe that the LB435 study points to several reason, including population base, horse racing facilities, lodging, accommodations, etcetera, why the State Fair can be most successful in Lincoln. We know the committee will look objectively at all the proposals, and we urge you to pursue the solutions that serve the highest and greatest needs of Nebraska. The Lincoln

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Chamber of Commerce believes that development of our statewide capacity for innovation through the public/private Nebraska Innovation Campus proposed by the University of Nebraska is essential to Nebraska's future. We must continue to capitalize on opportunities for leveraging university research. A public/private innovation campus contiguous to the university's main campus will develop productive synergy between the public and private sectors. I've handed out a copy of our Chamber board resolution and would ask that it be made a part of the record of this hearing. I'd also like to just say personally, I'm also on the board of the State Fair Foundation as the director, and I'd like to get back to raising money for the fair. I love the fair--it's a great thing that we have in this state. And you heard Kurt Yost testify this morning that it's difficult to raise money with the current uncertainties of what's facing the fair. Unfortunately, I'm not sure that that can even be resolved by the Legislature this year. My observations have been that things have a habit of resurfacing in the Legislature, and as Senator Chambers mentioned this morning, there's going to be a great turnover in the Legislature again due to term limits in the next year. And so hopefully this body can resolve the issue this year. If it comes up again next year and I put on my Pinnacle Bank president hat, I'm not sure I want to write a check to the State Fair for a couple million dollars for Pinnacle Bank 4-H pavilion if I'm not sure in a year or so it's not going to resurface again what the use of the State Fair is going to be. So it's a dilemma; I hope you can solve it. With that, I'd answer any questions that you may have. [LB435]

SENATOR ERDMAN: Thank you, Mark. Any questions for Mr. Hesser. Mark, I think your observation is right on and continues on with the conversation I was having with Tam Allan before we recessed. And one of the things that I think we as a committee owe it to everybody involved in this is to either resolve this or give clear direction, because I think you're exactly right: This has to give folks an understanding of where we're going, and that will probably allay some of those concerns. But at the same point, there's a lot of things that have to be done independent of the Legislature to resolve these issues, and it includes folks being able to get together with one another and working for the best interests of not only themselves but for the State Fair. So we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

appreciate that. The question I have for you--put you on the hot seat--if this committee had a choice between moving the State Fair to another site outside of Lincoln and keeping it where it is, what would you support? [LB435]

MARK HESSER: As Chamber of Commerce, we would support the use of the land by the university for the Innovation Campus, even if it means losing the State Fair in Lincoln, because we think it's in the highest and best economic use benefit for the whole state of Nebraska. We need to try the Innovation Campus. We think it can be successful and at the end of the day, that's most important to the state and to the taxpayers and to the businesses in our community. [LB435]

SENATOR ERDMAN: Okay. Appreciate your honesty. Senator Wallman. [LB435]

SENATOR WALLMAN: Thank you, Chairman. Just a comment, Mark. I appreciate your family. You've always been involved. You're, you know, (inaudible) school activities. So I appreciate your comments here, and I know it's not easy. [LB435]

MARK HESSER: Thank you, Senator. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Other questions? I don't see any. Thank you, sir. Next testifier, please? Don't be scared. See how easy that was? (Laughter) [LB435]

NOEL CHADD: If nobody's going to talk, I'm going to talk. Mr. Chairman, committee, my name is Noel Chadd, and I've about lost my voice, and so... [LB435]

SENATOR ERDMAN: Noel, spell your name for us. [LB435]

NOEL CHADD: N-o-e-l, first noel. Chadd, C-h-a-d-d. I don't think there's any question in my mind that the State Fair is going to leave Lincoln, or leave its present location. My

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

concern to you is that we...let's keep it in Lincoln, but I don't want to see...the University of Nebraska is just pushing everybody out and out and out. It does not belong at 84th and Havelock Avenue. One of the biggest, biggest, biggest problems of the State Fair is noise--noise, noise, noise, all hours of the night. Let's put this fairgrounds in the noise environment area. I didn't come prepared to get you some paperwork. This airport subarea study has everything on it that we need. All of these proper zoning problems, all of the proper noise problems, everything can fit into that piece of ground out there. We have at the present, at the intersection of Northwest 48th and the interstate highway going north, we have enough landowners to put together 500 to 1,000 contiguous acres of land. This fairgrounds is going to get moved. I submit that you ask Perlman, mayor of Lincoln, and the rest of these people that are involved to get together with us and talk with us about this particular piece of ground. I know that there is one particular owner in this area that would be susceptible to trading lands on a value basis, and I'm going to be quite frank with you. This is where it belongs, on the west side of the runways, in the airport area. And then we've got all the noise problems solved, we've got all the zoning problems solved. It could be done overnight. Thank you. [LB435]

SENATOR ERDMAN: Okay. Thanks, Noel. Any questions for Mr. Chadd. Senator Dubas. [LB435]

SENATOR DUBAS: Thank you, Senator Erdman. Are you here just as an individual, or do you have a group that is... [LB435]

NOEL CHADD: I'm here as an individual. I've been a home builder in the city of Lincoln for 50 years. I'm presently a farmer in the area. I grow crops. I've been associated with farming all my life. I understand all the problems, and I understand the fair, because I run race cars all over the United States, and the majority of our racetracks and facilities are on county or state fairgrounds. [LB435]

SENATOR DUBAS: So are the bulk of the landowners where you're referring to out

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

there,... [LB435]

NOEL CHADD: They're all...it's... [LB435]

SENATOR DUBAS: ...have they been visiting? Have they talked about this idea?
[LB435]

NOEL CHADD: Yeah, yeah. And we've all been talking a little bit, and it's quite frankly, they're now getting ready to widen the interstate past...we've got a full mile of visibility on the interstate itself. They're getting ready to widen it, of course, to six lanes, eventually eight lanes. They're getting ready to put another overpass right along the properties. And this property also joins forces with Highway 34, which we've just renovated, going west and north out of Lincoln. We have now...we're going to have two corridors through the airport, to West O Street. [LB435]

SENATOR DUBAS: Thank you. [LB435]

NOEL CHADD: I think it's a prime piece of ground. [LB435]

SENATOR ERDMAN: Okay. Thank you, Senator Dubas. Noel, do you have copies of your information, or... [LB435]

NOEL CHADD: No, I didn't bring. I wasn't going to speak, and I didn't come prepared. (Laugh) [LB435]

SENATOR ERDMAN: We will just make note of the location and your information.
[LB435]

NOEL CHADD: Appreciate it. We need more talk. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Will do. We have your information there. Next testifier, please. I like that excitement. You showed everyone else that they can be excited to come testify. I appreciate that. [LB435]

LEN SCHROPFER: I can't hold back now. Good afternoon, Chairman Erdman and members of the Agriculture Committee. I am Len Schropfer, that's L-e-n, S-c-h-r-o-p-f-e-r. I'm a farmer here from Fillmore County, south of Milligan. I happen to be a 1957 graduate of the University of Nebraska here in Lincoln and very proud of it. I'm very proud to be back in Nebraska. I was gone in the cities for many years and came back here, because I really believe in Nebraska. Please do not move the State Fair. President Milliken earlier spoke of the importance of place. The fair is in the perfect location, between the campuses, right by a world-class agriculture college, close to the downtown, close to the stadium. Furthermore, I'd like to say we do not need more research on genetic engineering from Monsanto to create crops which can withstand more herbicides. We don't need that kind of research. Ever since I came back here to the farm in the late seventies, to the family farm, I've been pushing for selective herbicides, herbicides which would just kill one species at a time, rather than to kill or cripple everything that was not the crop. I...you know, I've spoken to people in industry, people at the university. I have solved my thistle problem with several spades and a lot of hard work, but the bindweed is harder to wipe out. I have repeatedly gone to the Extension Service, to the Institute of Agriculture and Natural Resources, to the vice-president for research here at the university. But the best advice I've gotten till right now: Try Roundup--this is on my bindweed--but eventually I'll have to use 2,4-D to get the bindweed roots. Now true innovation these days would be to defy the development destruction craze and to foster research, which would actually keep people on the farms and ranches and in the small towns, rather than feeding the industrialization frenzy, the monocropping frenzy, the center-pivot frenzy. How about solar-electric collectors on farms, things like that, selective herbicides? Please, keep the fair where it is. I do thank you and I welcome questions. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Thank you, Len. Appreciate you coming down. Any questions? How do you say your last name, Len? [LB435]

LEN SCHROPFER: "Shrop-fer." [LB435]

SENATOR ERDMAN: Schropfer. Any questions for Mr. Schropfer? Senator Dierks. [LB435]

LEN SCHROPFER: Schropfer. [LB435]

SENATOR DIERKS: Len, you say you graduated in '57? [LB435]

LEN SCHROPFER: Yes, sir. [LB435]

SENATOR DIERKS: What was your major? [LB435]

LEN SCHROPFER: I was a speech major. I emphasized theater. I was an actor. I was a professor actor on both coasts until the seventies, the late seventies. My folks needed me at home. I was the youngest of three brothers and they needed me. [LB435]

SENATOR DIERKS: Well, if you want a little experience with weeds, I've got some (laughter)...I've got some leafy spurge out there we're having a dickens of a time with. You can sure... [LB435]

LEN SCHROPFER: I haven't got that problem yet. [LB435]

SENATOR DIERKS: Well, count your blessings. [LB435]

LEN SCHROPFER: I don't know what to do with the bindweed. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR DIERKS: I don't have any more questions, Phil. [LB435]

SENATOR ERDMAN: Senator Dierks would like to transplant some of that into your property. [LB435]

LEN SCHROPFER: (Laugh) Oh! [LB435]

SENATOR ERDMAN: Thanks, Senator Dierks. Other questions for Len? I don't see any. Thank you, sir. [LB435]

LEN SCHROPFER: Thank you very much. [LB435]

SENATOR ERDMAN: Appreciate it. Next testifier, please. And I know everybody wants...at least there will be a lot of people who want to be the last testifier, but let me encourage you to be willing to step up and if you happen to be last, you just win today's lottery. But everybody's opinion will matter, regardless whether you're first or last, so feel free to be prepared and not be worried about what order you come in. [LB435]

BRADLEY WALKER: I was also inspired by the energy, so... [LB435]

SENATOR ERDMAN: Absolutely. We appreciate that. [LB435]

BRADLEY WALKER: (Exhibit 12) Thank you, Chairman Erdman and the rest of the committee, for the chance to participate. My name is Bradley Walker, B-r-a-d-l-e-y W-a-l-k-e-r. I'm the president and CEO of Nanonation, which is a Lincoln-based software development company focusing on digital media applications for major corporations around the globe. I'm here today as a huge fan of the State Fair, as a concerned owner of a Nebraska-based business, and as a lifelong Nebraskan with two young children that I would very much like to have the choice to be lifelong Nebraskans as well. As you contemplate the future of the State Fair and consider plants for having

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

the...that have been presented here today, I would offer my encouragement for decisive investment in our fair and our future. I've summarized the issues I think that are before us in a letter that I've passed out for your consideration, signed by both myself and a group of my colleagues, business owners and executives in their thirties and forties who have made a similar decision to make our futures here in Nebraska, to raise our children in its communities, and to hitch our wagons to the notion of growing business opportunities right here at home. We felt it was important to add a different perspective to this dialogue. We are not part of the community actors, we are not vested interests, but we do have a view and a desire that our families and the future of Nebraska can be well represented in this decision, and the decisive investment can be made in our future. I won't read the article in full at this juncture, I'll let you peruse that, but a couple of comments that I wanted to make. First and foremost, Nebraska must move decisively to invest in its economic future. Industry and innovation are moving at fast paces all around us. The global economy fluctuates beyond our direct control. If we fail to respond in a big way we run the risk of a continued spiral down into irrelevance. The Nebraska Innovation Park represents to me, in my mind, a key ingredient to the solution. By providing a hub for research and development, this project can bring together public and private sectors in collective interests that serve new venture creation, existing Nebraska businesses, and new global partners. The park will allow the University of Nebraska to expand its research and development programs and create an environment for collaboration that will create new value and new possibilities. In our own case, Nanonation has grown because we have successfully worked with the university to tap its talent and to keep its best and its brightest right here in Lincoln. Our software engineers and digital producers, from our chief technology officer down to our lowest intern, have all been developed from homegrown talent in our homegrown educational programs, but much more is possible. Creation of a digital medial lab, for example, as part of the Innovation Park would be a compelling attraction for location of our company in the adjacent space provided for private investment and provide a catalyst for the development of new tools for the digital economy, but that only happens if the process starts today. We can talk about the State Fair, we can talk about potential,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

but if we don't start making these decisions the hard work and the years of investment can't begin until some point down the line and, at that point, we will have lost the opportunity to secure jobs and secure the future for our children. In our article that I handed out I referenced Spencer Johnson's book, Who Moved My Cheese? For us the question is "Who Moved My Corn Dog?" I understand that change is difficult. I'm a huge supporter of the State Fair. Personally, my birthday is September 1, so for the last 42 years I've celebrated my birthday at the Nebraska State Fair. It's become a part of my tradition with my children as well. I love the State Fair. But the current environment is not really a great fair, and it could be so much more if it was both improved, relocated, and really re-thought-out. One of the comments that I heard here today was that--and, Senator Erdman, I think you proposed the question--if it had to move out of Lincoln, would it be just as valuable, and I don't think it is. Today the State Fair serves as a catalyst, a bridge between our urban communities and our rural communities. With the rest of the world paying attention to environmental education, food production and food science, water resource management, there's a tremendous amount of learning through the State Fair that if we can build that into our urban children and our urban family experience it's a great bridge, and I think Lincoln is an ideal location for that. The last analogy that I'd leave you with, in thinking about the issues associated with the State Fair, is the story of the purple cow. Anybody seen a purple cow? Unfortunately, I can't take credit for it. The story should have been made here in Nebraska. Seth Godin wrote a bestselling book called the Purple Cow, and I'll paraphrase the story here just a little bit, but imagine you're at the State Fair, walking down the livestock exhibits and you see a brown cow and a black cow and every other cow that's a shade of brown, black or white. What would happen if you saw an honest-to-God purple cow? You'd stop, you'd take pictures. There would be lines down the block and all the way down to downtown Lincoln. And the choice we have here is to build a "purple cow." We don't need another State Fair. We don't need another coat of paint on the current State Fair. We need to radically rethink what we do for economic development as well as for our State Fair. And so I would encourage everyone on this committee, as you contemplate this issue, think about creating a "purple cow." We have an opportunity to do that twice for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Nebraska and secure both an outstanding State Fair and our economic future. Thank you, and I'm open to questions. [LB435]

SENATOR ERDMAN: Thank you, Bradley. Any questions for Mr. Walker? And just before we go to questions, I've not seen a purple cow, but I've seen a Holstein with a Mickey Mouse on the side of him. [LB435]

BRADLEY WALKER: That's good too. That's good too. That works. [LB435]

SENATOR ERDMAN: (Inaudible) from Wisconsin, I think, but... [LB435]

BRADLEY WALKER: Yeah. See, we need one in Nebraska though. Wisconsin doesn't help. [LB435]

SENATOR ERDMAN: Senator Dubas. [LB435]

SENATOR DUBAS: Thank you, Senator Erdman. Thank you, Bradley, for being here today. [LB435]

BRADLEY WALKER: Certainly [LB435]

SENATOR DUBAS: You weren't the first person to bring up the issue about the State Fair is the link between the urban and the rural, and it's the opportunity for our rural cousins to educate our urban cousins about how agriculture exists in our state. But couldn't we even make that a better link if we put the State Fair in a rural setting where urban people could actually come out into the rural areas and not just see the animal itself but see the land that it's raised on or see the crops as they're growing in the fields or see the farmsteads and see the equipment out in the field and all those different things? Would that be taking it a step further and maybe even having a bigger impact on our children? [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

BRADLEY WALKER: It sure...it certainly could be, but it runs the risk of not drawing the demographics in audience. And the fact is, if you look at any consumer--our company does consumer marketing applications for global brands--and if you look at the consumer accessibility to the environments, the length of time commitment required to go make an event out of that is a limiting factor in having somebody drive three hours from the suburbs in Omaha out to western Nebraska. So I think even though it might be nice to get them out into the field, they won't go. Having something here on the I-80 corridor I think makes a tremendous amount of sense. If you think about an entertainment corridor that runs from the new stadium, potentially, and Henry Doorly Zoo in Omaha down through the Qwest Center, down through the state parks and down with a terminus at 84th and Adams with the State Fair Park, you've got a wonderful entertainment corridor that can really engage Nebraskans and draw from both of those bases, I think. [LB435]

SENATOR DUBAS: I can't necessarily disagree with what you said, but I find it very interesting that three hours for urban people to drive to rural areas is a long time, where three hours for rural people to drive to urban areas doesn't seem to be quite that same length of time. But thank you for your (inaudible). [LB435]

BRADLEY WALKER: As Einstein posited, time is relative. (Laugh) [LB435]

SENATOR ERDMAN: It's more relative to me, because I got here at 1:00 last night from home and, as I was observing earlier, Senator Preister was talking about the 50 minutes he spends driving between Omaha and Lincoln and what he thinks about, I can't remember all the things I think about driving 6 hours from western Nebraska. So I think it is relative. I think you do bring up a good point about needing it to be in a location because, candidly, folks in Lincoln and Omaha don't travel. [LB435]

BRADLEY WALKER: They won't. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: We do because we're use to it. We have to. I guess that's probably a better way to put it. Bradley, talk to me about how you see this opportunity different than maybe what may be available to you now through the Technology Park that the university has. Have they actively pursued that as a similar option for companies such as yourself, or is it just something that was the right idea at the wrong place? I mean give me the...because they have a hundred... [LB435]

BRADLEY WALKER: Sure. [LB435]

SENATOR ERDMAN: ...and some acres, I believe,... [LB435]

BRADLEY WALKER: Oh yeah. [LB435]

SENATOR ERDMAN: ...available under a similar idea to some of the things you were just talking about, but to my knowledge hasn't really been developed the way that it possibly was explained to be developed at its outset. [LB435]

BRADLEY WALKER: Sure, and actually I have some experience at. So we were one of the anchor tenants originally in my last company. We started a company called Uniden (phonetic), which was a software system for doctors and dentists offices. So we actually located out at the incubation building when it was first built, and that was a tremendous experience. It offered us an opportunity to have cost-reduced rent, a nice facility, and some collaboration there. The difference is that the Tech Park was never targeted for this public-private kind of code development, so the research labs that really do have to be proximate to campus, both for student access as well as faculty access, was not facilitated by a Tech Park. And the Tech Park location I think has some tremendous value. I think the two can succeed together. So on the one hand you've got a codevelopment area where a digital media lab or genetic research or solar energy or whatever the programs are that would go into R&D could be done in association with

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

campus and private facilities, then you have Tech Park that really focuses on the spin-offs that come out of that R&D process. So once a new technique is developed or a new product is commercialized, it can be moved over to land then in the Tech Park and built up out there, when it no longer needs that collocation. So I think there actually is a good synergy between those two things. I think the current Tech Park doesn't serve that purpose of having adjacency of space. And we looked at the Tech Park when we did Nanonation. We chose to locate downtown because of the proximity to the university, and we're not close enough. We'd like to be closer. [LB435]

SENATOR ERDMAN: Okay. There's some commercial developers here today that will probably be visiting with you later. (Laughter) [LB435]

BRADLEY WALKER: Well, and I can certainly...I can certainly appreciate that. [LB435]

SENATOR ERDMAN: I'm sure your current landlord or, if you're the owner, would be interested in redeveloping your property as well. [LB435]

BRADLEY WALKER: The fact is new economic activity can generate more waves, more ocean to lift everybody, I think, and fill those office spaces. I don't...concern about that. [LB435]

SENATOR ERDMAN: Okay. Other questions for Mr. Walker? Senator Norman...or Senator Wallman. (Laughter) Sorry, Norm. [LB435]

SENATOR WALLMAN: Yeah, you can call me either way. Thank you, Chairman. Do you feel like if we moved this park, the State Fair Park, we'd have more outside investments in either place? [LB435]

BRADLEY WALKER: I do. I look at the investment side on two equations. First of all, the university needs to have a real catalyst for that type of investment and,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

notwithstanding the mention of Monsanto or any other folks, there are opportunities to create that kind of partnership. We really don't have the facilities to do that today, so I think it would attract outside investment. I think it would also surprise you in the number of Nebraska-based businesses that would also look at opportunities like our company. If there is a digital media program, that would be tremendously helpful. And so there are things that can come out of that that are not just big investments. The other side to it is taxpayer investment and I think that was one of the other comments I heard from the morning's session, is where do we invest our tax dollars. And I think we could spend a lot of time focusing on effective tax rate or efficient use or spend the least amount of money, but if we don't make that investment as a community, as a group of taxpayers--and I'm willing to foot my part of the bill--if we don't invest that in things that will pay off over the next 20 years, we've done a terrible disservice to the state. [LB435]

SENATOR WALLMAN: Oh, I agree with visionary, but we have to be careful with licensing fees and things like that, and it should be able to be almost self-sustaining, I think, eventually. [LB435]

BRADLEY WALKER: Oh, I think it should be. And if you look at some of the, again, some of the proposals that have been out here, keeping it in Lincoln and Omaha I think gives us the best chance of having more development from those areas in the State Fair, at the same time opening up new investment for the university and development of business. [LB435]

SENATOR WALLMAN: Because I look at, like, Epcot Center, there's lots of grown-ups enjoy that place. [LB435]

BRADLEY WALKER: Sure. And if you look at the thriving economic environment around those facilities, both in terms of the tourism trade as well as technology innovation in Orlando, it's amazing when you can put together great business opportunity and great entertainment for the people who will come and chase those business opportunities.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

[LB435]

SENATOR WALLMAN: Thank you. Thank you, Chairman. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Other questions? Senator Preister.
[LB435]

SENATOR PREISTER: Just a comment that I appreciate your purple cow analogy.
[LB435]

BRADLEY WALKER: Thanks. [LB435]

SENATOR PREISTER: I don't know if you were here this morning, but I floated a purple cow balloon idea and it was like a lead balloon, and it didn't go very far. (Laughter)
[LB435]

BRADLEY WALKER: Oh, I'm sorry I missed. I missed that, Senator Preister. What was that? [LB435]

SENATOR PREISTER: The concept of a fair not being tied to a certain mind-set, to a certain way of viewing, to even a certain location, but to expand it much like the Olympics, where you have venues in different areas where we create a Nebraska fair unique to the country, much like the festivals in Europe, and we do it. Every city, whether it's Grand Island, Kearney, North Platte, who made presentations, has a part to play in that. We don't turn anybody down. The State Fair Board sanctions events and gives them some credibility and then we create a system that's unique and we bring people in, much as they do, I believe, in Clay County in Spencer, Iowa, where they have the largest county fair probably in the country. People travel there from all over the world to go to a county fair. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

BRADLEY WALKER: Yeah, because it's a "purple cow." [LB435]

SENATOR PREISTER: We could do that in Nebraska but it's got to be more than centered in one location based on a model that every other state is doing. So I like the "purple cow." I floated that balloon and it crashed big this morning. (Laugh) [LB435]

BRADLEY WALKER: (Laugh) Well, and my expertise is not in fair planning, but I would say that this is a process that can allow us to rethink how we do the fair. If we move forward with relocation of the fair, then we have an opportunity to bring all of those great, creative suggestions and figure out what that purple cow is. You've got \$178 million number and we don't know what really that is. I think there's enough creative people here in the state of Nebraska to build a purple cow for probably somewhere well south of that number and make it a truly remarkable event, and I think that has to be what our imperative is, as we make these decisions. Band-aiding and kind of limping along isn't going to generate any more traffic, isn't going to change the economics of any of this, and isn't going to generate any more attendance from the people who are here unless you do something different. [LB435]

SENATOR PREISTER: I agree. [LB435]

BRADLEY WALKER: So thank you. [LB435]

SENATOR PREISTER: If we keep doing what we've been doing, we keep getting what we've got. [LB435]

BRADLEY WALKER: Amazingly enough. (Laughter) [LB435]

SENATOR PREISTER: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Preister. Other questions? I don't see any.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Bradley, thank you for coming forward. [LB435]

BRADLEY WALKER: Thank you very much. Thank you all. [LB435]

SENATOR ERDMAN: Appreciate it. Next testifier, please. [LB435]

GEORGE ANDERSON: I'd like to be after the purple cow, if that would be all right.
[LB435]

SENATOR ERDMAN: I had a brain lapse. I thought the purple cow was going to be a caramel chocolate treat, but then I was asking Senator Dubas and she said, no, it's a Black Cow. I said, okay. Thank you, Bradley. Go ahead. [LB435]

GEORGE ANDERSON: Thank you. My name is George Anderson. I'm from Hastings. It's G-e-o-r-g-e A-n-d-e-r-s-o-n, and I felt compelled a couple of weeks ago when I saw that just maybe Grand Island or another community in the western part of the state might have the chance of at least coming down and being able to talk about it. I grew up in Hastings. My great-grandfather was from Cushing and started the Western Land Roller in Hastings. We've been coming to the State Fair for 100 years. We built farm equipment and by the mid-thirties and late-forties 75 percent of the irrigation wells in Nebraska were built at our factory in Hastings. I've grown up in that. But when you live in Hastings and you look over in Grand Island and see how well that their economy is doing and what a great group of economic people they have, you need to consider what Grand Island has to offer. Now I'm a Hastings guy. You don't normally live in Lincoln and talk about Omaha, but today, in the last two weeks I talked to the mayor, Matt Rossen, in Hastings. He said, we need to go to Lincoln and let them know. I talked to Dee Haussler from the Economic Development Corporation, and we had our annual meeting in Hastings today celebrating our new half-a-billion-dollar power plant and who's our partner? Grand Island. And then I talked to Tom Hastings from our chamber. He said, gee, we need to get down there. And so I'm the guy. Now all I am is chairman

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

of the utility board in Hastings. I live in the same house I have since 1951 and a couple years ago some of you were here when I had to pass a little legislation on emergency clause for 15,000 tires at a new racetrack in Hastings, which we eventually built, and now 80 percent of our customers are coming from Colorado. You build it right, people will come. And if you have the right product, people come and buy it. But you start thinking about what's happened out west here and Grand Island and Hastings, in our area of central Nebraska, in the last 100 years has grown pretty good, and it won't be too long that that corridor is going to be the central metropolitan area of Nebraska. Might be a time we're bigger than Lincoln and Omaha. Now that's not likely, but it's possible. And I think that you owe the opportunity for maybe Grand Island. They did...they hit a pretty good home run in my mind today when they came and talked to you, in pretty short notice, about maybe considering Grand Island. Husker Harvest Days is a home run. I mean it's the largest irrigation show in the world and you go over there, it's jammed and the fields are full of cars. They have busses to haul people. These people know how to solve problems there. And there's major families of support. I looked at the foundation for the Fair Board. I saw Chief Industries, Eihusen family from Grand Island, one of the top four contributors. Then I looked through the study, phase one, phase 1, phase 2, this guy over in Hastings with the track, and I said it's still 50 percent from this area and 50 percent outside this area. Even though the numbers went up, it's still fifty-fifty. So I don't know what the numbers will be, but if you build it right and you do it right and you put the right team, maybe you can do the same thing. I kind of like your idea about moving a few things around, but you need to give Grand Island a chance. I think it's great and we need to speak up for them and give them an opportunity. And when you make your recommendation to the Legislature this afternoon and tomorrow, it would be great if you could at least leave the window open that the location could go to someone else and give them an opportunity to talk about it. Now I got to tell you one last little story and you can throw me out. My uncle Vance is 97 years old. I went over to see Vance last night. He went to this fair for years and he told me a story last night about the Sower on the top of this building, and he actually--and I think it was April of 1930 when they were putting it up--was flying around this building in an

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

open cockpit plane with a friend, about fell out, but he told me about the Sower last night and he said just to ask you all to consider the ag roots of what the State Fair is. It's gone a long ways and a lot of people so...and he's 97 and I'm just bringing a good word from Hastings and telling you I think you ought to give Grand Island a shot because they know how to do things. [LB435]

SENATOR ERDMAN: Okay. Thank you, George. Any questions for Mr. Anderson? I don't see any. [LB435]

GEORGE ANDERSON: Thank you. [LB435]

SENATOR ERDMAN: Thank you, sir. Next testifier, please, pretty please. There we go. Can I see a show of hands of those that remain that wish to testify? I've got two, three, four, five. Okay, if you can please be prepared after this gentleman, that would be fantastic. [LB435]

ROB SAHS: Good afternoon. Rob R. Sabs, S-a-h-s. Born in Lincoln, lived in Lincoln pretty much all my life; worked at the fair before, in my youth, and gone plenty of times, not every year, you know, even living in Lincoln, but most years, and I guess I'm for a research park for the university but I'm not for moving the State Fair Park. And living here in Lincoln, it seems in the Lincoln paper that it's all presented, at least it feels like to me, like this is a done deal. You know, it's...university is going to get it; it's how. How is it going to be moved, where, and how much it's going to cost. That's about how they kind of present it in the different articles. Well, in those articles, the university's main reason for wanting the State Fair Park is portrayed as they have no room to grow, and they need this land to do something that's, sure, a good thing for the future, might cost \$1 billion, but they want the State Fair Park and that's what they want and that's what they want. (Laugh) I don't think they're using enough imagination, or they're choosing not to look at what they have. They have the I-80 Research Park, which was a Research Technology Park in its conception; has plenty of land still left for further

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

development, and I don't see being, you know, close proximity to the campus when you have computer and Internet hookup and cars. And if you've ever walked between the campus and the fairgrounds, like one of the people on the Fair Board said, it's a ways. It's not very practical in the winter. I don't think that's relevant. And then they also have the land at Whittier, which they've had for 35 years or so and they've barely ever used it, maybe a little bit here and there. They're planning to some now, I think in response to this, actually. I believe they own a good bit of the Cushman factory and that's empty. In one of these articles it talked about the East Campus. There's some research fields over there along Deadman's Run, being in a floodplain. We can't build on that because it's floodplain. Well, I think State Fair Park is probably mostly floodplain. And also the 2015 Vision Group, now if say some of the people involved with that, maybe they could envision donating the concrete plant in that area with the gravel pits to the university, or selling it for a moderate amount. If that's their vision, to have this research park, well, then why don't they chip in a little bit more? There's also a small building down there in that area, like 23rd and Dudley or so, called the Turbine Flats building now. And a guy has bought an older warehouse and his idea is along with the Antelope Creek development, that that area will be built up, so he's (inaudible) renovating it and he's...it's kind of like an entrepreneurship farm, you might say. So I think that area and Whittier and Cushman could maybe become what they'd like the State Fair Park for. State Fair Park maybe looks a lot more attractive, but I think with a moderate bit of income these other places could be utilized. And I guess the main thing is they aren't using what they've got, in my opinion, to the most before they want more. And they also talk about creating an arch between the East and Downtown Campus. Well, the State Fair Park does not arch over to East Campus. Now there's playing fields that are...have been recently built on 27th to 33rd. There's been a good bit of money put into those but not huge amounts like we hear being talked about. Maybe they could develop that area, buy it from the city of Lincoln or whoever. Or some of the areas like the used car lots in the marginal, kind of blighted areas south of Cornhusker between 27th and 33rd. When I voted to devote lottery money to the State Fair Park, it wasn't with the idea of moving it, and I don't think a lot of other people had that kind of idea in mind either. And there's

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

also, to me, State Fair Park in its present location has a historic feel. It's old. There's old buildings, which I like. I like that. A new location at the Event Center or other places might or might not be better. I might or might not like it. I'm open to that. I don't know. Also, if you put a research park out there, it is smelly and if you have high-tech businesses that are trying to attract high-level people, what are you going to do with the sewage plant? I heard them talk about parking for the present State Fair being a problem. Just an idea: Maybe they could set up a shuttle out to Oak Lake area or the Haymarket Park parking lot. Also, if...I don't know if this is really relevant, but let's say if the horse racing track was moved out to the Event Center, would it lose its smoking status? I know one thing personally that if you get rid of smoking and move the simulcasting out there, you're going to kill your simulcast revenue. That's just...most smokers are gamblers and vice versa, it seems. (Laugh) [LB435]

SENATOR ERDMAN: People who smoke are gambling. [LB435]

ROB SAHS: It seems like it. []

SENATOR ERDMAN: All right. Are there...I'm sorry to interrupt. Are you... [LB435]

ROB SAHS: I guess. I guess what my worst fear is, is that here we might have to pay for the State Fair to move and it might or might not be better. I know if it was in Waverly, I probably wouldn't drive to it. I live in northeast Lincoln. I'd probably go to the Event Center; out of town, probably not. But my worst fear is that the university would get the land and like other...like Whittier and other things, just squat on it, really not doing anything with it for 20 years, and then maybe in the meantime the State Fair dies of its own. [LB435]

SENATOR ERDMAN: All right. Thank you, Mr. Sahs. Any questions? I don't see any. Thanks for coming down. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

ROB SAHS: Thank you very much. [LB435]

SENATOR ERDMAN: Next testifier. Yes, sir. [LB435]

(MAN): Senator and the board, I'm sorry. We've got our monthly meeting planned, so I'm going to haul our board people out of here. So we're not leaving because we're not interested in what's happening. [LB435]

SENATOR ERDMAN: Understand. [LB435]

(MAN): And Mr. Allan will be in charge. So thank you very much. [LB435]

SENATOR ERDMAN: Fair enough. Thanks for coming. Next testifier, please. There are seats in the front row. This is a good problem. There are seats in the front row. You can sit right there. [LB435]

DONNA CLARK: Well, I don't own a company, Mr. Chairman and committee members. I don't own a company. I'm just a lifetime Lincoln resident. [LB435]

SENATOR ERDMAN: Fantastic. Tell us who you are. [LB435]

DONNA CLARK: Donna Clark, D-o-n-n-a C-l-a-r-k, and I presently live in a rural town of 480 people. I just retired from the University of Nebraska after 55 years, and I remember when I was a kid working at the State Fair to earn money to buy school clothes. We have six generations invested in the fairgrounds, and I just...it's always been a family event. This year we took four generations to the fair and seen everything. We just looked at everything, and it's a good experience for the young ones. And there's a lot of history there, like the old bus depot and the 4-H Building, and you like to talk about those things and show them. And it's just that due to lack of funding for...the fair kind of went into disarray, and now they have new leadership and the lottery money and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

I can see a lot of changes being done. And maybe it can get back to it's proud history. And years ago the fairgrounds provided a lot of national events, like pro wrestling, Ice Capades, they were on the national race car circuit, and I'm sure that they can get back to that if they had the funding. And my question is, with the Technology Park, where is 83,000 people going to park for the football game? You're taking away a lot of parking. And some of those 83,000 people, a lot of them, come to the fair after the football game, waiting for the traffic to go, and I've noticed that because I've worked there. And it just...I sat here and listened. Grand Island has Harvest Days. North Platte has Nebraskaland Days. Why do we want to take the fair away from Lincoln? That seems to be about the only big event we have here for the families and I just can't see it. And I don't know, the university has City campus, East Campus. Why don't they have a West Campus? Why don't they go north of...or south of Oak Lake? Just west of Haymarket, there's a big area there. And with the Antelope Valley improvements, I don't think the professors and the students are going to have a hard time getting there. And I just...the motto for the university is tradition, and I can't see destroying one tradition to create another. And that's all I have. [LB435]

SENATOR ERDMAN: Thank you, Donna. Any questions for Ms. Clark? Donna, thank you for your years of service to the university. Thanks for coming. [LB435]

DONNA CLARK: Uh-huh. [LB435]

KAREN BEST: (Exhibit 13) My name is Karen Best. Dear Agriculture Committee ladies and gentlemen,... [LB435]

SENATOR ERDMAN: Karen, can I get you to spell your name? [LB435]

KAREN BEST: Okay. B-e-s-t. [LB435]

SENATOR ERDMAN: Okay, just making sure. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

KAREN BEST: First of all, the Nebraska State Fair is important to the state of Nebraska. It is a place to showcase agriculture. Nebraska is an agriculture state. Agriculture is the number one industry in our state. The fair provides an opportunity for all people, whether rural or city people, to see farm products up close. The fair is an educational experience, as well as entertainment experience. Nearly all states, 45-plus, have state fairs. The optimal solution, both economically and historically, is to keep the State Fair in its current location. The university and Perlman has no reason to even try to take the fairgrounds. The university has plenty of land to build its proposal on. The majority of true Nebraskans have already voted to give 10 percent of the lottery money to the fair. This shows that the majority want the State Fair to be located at its current location. The heritage and history of the fair cannot be moved. The Iowa State Fair's oldest building was built in 1886. Their Ag Hall is over 100 years old, built in 1903. The Illinois State Fair has buildings over 100 years old, as does the Minnesota State Fair. The historic buildings on State Fair Park need to be preserved. The oldest building is the Industrial Arts Building, built in 1913, and the 4-H Building was built in 1930-31. True Nebraskans have a sense of pride in our state. The State Fair began in 1868. The fair is one year older than the university, so maybe the State Fair should want to expand and take over the university. Keep the fair where it is. If this proposal by Perlman is so good, it will be successful on any of the university's current land, and the claim that the fairgrounds connects the City Campus to the East Campus is not true. If they wanted to move the State Fair, like some say, to the Lancaster Event Center, then we need to remember that the county fair was first at the State Fair Park and they are the ones that wanted to move a few years ago. So that shouldn't even have been done in the first place, and that would have saved millions of dollars right there. Also, all the surrounding states have recent or ongoing funding from their Legislature to support their State Fair. Iowa State Fair receives \$20 million to \$25 million per year from their Legislature. The location of the fair should be near the population center of the state, which is Lincoln. Most State Fairs are in the states' capital cities. No one even considered moving the State Fair until that self-forming Vision 2015 Committee was formed. We need to think

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

about Perlman and this committee's real motives about wanting to move the State Fair. Maybe that's for some of these businesses...businessmen's personal financial gain. We need to remember what the majority of true Nebraskans want--to keep the Nebraska State Fair at its current location since 1868 in our capital city, Lincoln, Nebraska.

[LB435]

SENATOR ERDMAN: Thank you, Karen. Any questions for Ms. Best? Please, no applause. Please, no applause. You can applaud for her in the hallway. We're trying to refrain from public display. Senator Wallman, did you have a question for Karen?

[LB435]

SENATOR WALLMAN: That's okay. [LB435]

SENATOR ERDMAN: Okay. Sorry about that. I didn't give that rule, so you'll get a reprieve on that one. I apologize. But we'll try to just contain our remarks to this, and if you have comments, you can come forward and say ditto to what Karen said. That would be probably more appropriate. Go ahead. [LB435]

STEVEN CLARK: Good afternoon. My name is Steve Clark, C-I-a-r-k, and I kind of coincide with the last two people that was up here. I did have a lot to say about this, but I'm just going to give you a couple opinions. After hearing the different programs that were presented to you and that, I'm in favor in the location, staying where it's at. I've...born and raised in Lincoln; live in rural Nebraska now, Ogallala, so I'm in District 47. [LB435]

SENATOR ERDMAN: It's a great district. [LB435]

STEVEN CLARK: It is a great district and we had some great representative. It looks to me right now that we have a David and Goliath scenario here, with Goliath having well-intended followers waiting for the fallout. Listening to all the option, in my

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

observation, I believe the university should consider the sites at Grand Island, Kearney, and especially North Platte for their Technology Park. This would be a great economic benefit to the areas and to the state as a whole. And that's pretty much what I seen as observation, and that pretty well sums up what I've got to say. But I do have to say, in closing, that, Mr. Chambers, I did not appreciate your comment on rural Nebraskans as savage. I did not. I did vote for term limits to remove you and select others from office because of your self-interest, attitude, and agendas which also interrupted this meeting. I regret, I deeply regret, that Senator Erdman and other senators on this board were casualties of my decision, and if the vote was made today or tomorrow, I would...I would take my vote and make it as a vote for no term limits. [LB435]

SENATOR ERDMAN: Okay. Thank you, Steve. Any questions? Senator Wallman. [LB435]

SENATOR WALLMAN: Thank you for testifying. I think maybe we're going the wrong way. I've been accused of being a bully, you know, closing a couple schools and everything, and actually I voted against that. But I think maybe we're missing the point here. I don't think we're going to close the State Fair. I think we want to make it a better State Fair. And if we need more land or something, I think we can be a lot better State Fair. I go to the Iowa State Fair. I've been to the Minnesota State Fair. And we can probably never get there, but I want us to try to get there, you know? And so whether this be for the university or...it's too bad this got involved this way. I know it's an emotional issue. I've been to the State Fair. Used to go every day, every day with events, judging stuff and everything with kids, so I have a vested interest in keeping the fair here because I live in District 30. So I want to make it a better State Fair, you know, somehow, and if we can, hopefully we can get on some kind of coalition here. Thank you for testifying. Thank you, Chairman. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Other comments, questions? I don't see any. Thank you, sir. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

STEVEN CLARK: Thank you. [LB435]

SENATOR ERDMAN: Next testifier, please. [LB435]

KIM ROBAK: Senator Erdman and members of the committee, my name is Kim Robak, R-o-b-a-k. I'm here on behalf of 2015 Vision Group to only go on record to express some of the questions we have about the two consultants' reports. I think most of you have received a copy of our questions, although they have been revised. It's an ongoing process. I think that on Monday of this week the group had provided Senator Erdman with a list of our questions. They have been...they're substantially the same, but there are a few reworkings of those questions based on rereading of the report. We want to all...we won't go through these question by question, but I only want to point out a couple of thoughts as the committee is putting together its report and is relying on this information in order to make future decisions. First of all, the attendance numbers in the two reports are optimistic. The estimates are that at an ideal or perfect State Fair we could get to a 450,000-person attendance, which is a 48 percent increase. And in phase 2 of the report, it states that we can get to 488,000 persons, which is an additional 38,000 from the ideal State Fair. That also proposes that we can get to a 19 percent increase in attendance in the first year with...and it doesn't discuss how we do that or any increase in the programming at the current site. In regard to the facilities, the second report includes the Industrial Arts Building as a part of the facilities that are needed for expansion, but it doesn't include the \$6 million cost for improving that facility. In the first report they talk about 66 buildings that need some sort of remodeling, refurbishing, renovation. In the second report they deal only with 16 of those 66 buildings, leaving out 50 buildings that need to be addressed. With regard to the financial aspect of the reports, they increase the per-patron spending from \$8 per person to \$11.50 per person, an over 43 percent increase in spending, in addition to the very optimistic revenue figures or, excuse me, attendance figures. The revenue increase after five years is 213 percent revenue increases. That's fair revenue

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

increases. And the nonfair revenue increases are 338 percent, again without talking about how these numbers are going to come into place. I know that the consultants actually had a very tough job to do in a very short period of time and we compensated them a very small amount of money, so I'm not complaining that the consultants did a bad job. I'm simply saying that there are questions that yet need to be answered; that some of these figures are...may have answers to them but as you're relying on them and as you go forward with your reports, I think you should take into consideration that there are still questions out there. And with that, I'd be happy to answer any questions. [LB435]

SENATOR ERDMAN: Thank you, Kim. Any questions for Ms. Robak? Senator Wallman. [LB435]

SENATOR WALLMAN: Thank you, Chairman. Yes, Kim, what precipitated, you think, the Lancaster County Event Center being started? Was it...you know, I hate to ask that question, but there had to be disagreements, don't you think? [LB435]

KIM ROBAK: Boy, I wasn't around there at that time, Senator. I do know that there's a long history of a relationship or maybe lack thereof between the two entities and I'm sure that if you sat down with both of them that each side would tell you their version of the story. [LB435]

SENATOR WALLMAN: And, see, now we have double, you know, double things going on, so I think...that bothers me, I guess. It's on the tax rolls and so anything we can do to make it better, I think we should. [LB435]

KIM ROBAK: Obviously, the view of the city of Lincoln and of Vision 2015 is that we would like to coordinate the two of them together in order to have the most cost savings to those citizens of Lancaster County in Nebraska. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR WALLMAN: Thank you. Thank you, Chairman. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Kim, a couple observations: If the assumption is made that the increase will be 19 percent in the first year, I think the...some of information was at the sustained level, which was after the improvements, and so that may be part of the discrepancy. But I appreciate your questions. As I shared with, I think, Mr. Ostergard, I encourage you to share them with the committee. We will consider your questions. And I believe as I shared with him, I think a lot of the questions are logical, but I also think that there's probably some good explanations, and how to get their additional clarity would obviously be beneficial, but that's why we encourage folks to attend not only the public hearing but to read the report, and I think there's a lot of things that get filled in with the gaps. But we appreciate the information and we'll review it. [LB435]

KIM ROBAK: Thank you very much. We appreciate the opportunity to go on the record, and I just want to say how exciting it was to have so many people here today to support the State Fair and the university and the growth of the state of Nebraska, and we had about half of the room in the other...across the hall filled, and that's very exciting. So thank you. [LB435]

SENATOR ERDMAN: Very good. Thanks, Kim. Next testifier, please. Can I see a show of hands of those that remain that wish to testify? [LB435]

KEN GNADT: Senator Erdman and committee, my name is Ken Gnad, and that's spelled G-n-a-d-t, and it's a little German. Ernie, I'm not a lawyer. I am a two-time mayor of Grand Island and I really wanted to be on record as making a few comments. G.I. is a can-do city. Nineteen ninety-seven we hired an outside consultant, through the chamber and also through the hospital, to come in and look at our community as a visioning process for the next five to ten years. Twenty-two hundred people came out to small group discussions and said what they would like to see come forward in our community.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

Those 2,200 came to meetings that had no more than 15 to 20 people in. About two weeks after that process was finished, we then compiled everything and put voting booths out at Conestoga Mall over a Saturday and Sunday for people to vote on. The number one thing was jobs, jobs, jobs; number two was an event center. What I want to say to you and the committee here today is, of the ten most important things to happen in Grand Island, nine of those have happened already. The only one that has not happened is a transportation system or a bus system for our community, and that's being looked at as we speak yet. We're a very caring, sharing, and volunteering community. Thirty-five years ago about 12 of us started to work on Husker Harvest Days. It took us five years to put the first show on and ended up, of course, working with Nebraska Farmer. This year we celebrated the 30th year. So as George Anderson from Hastings just mentioned, we're very cooperative between communities in central Nebraska, including Kearney and all of the small communities around us. There's just so many things that have happened and continue to happen, and as your mission stated this morning that our people put forward, agriculture is what State Fairs are all about. And I can tell you this. If Grand Island is selected and with the philanthropy and etcetera and the hardworking folks that are out there, we just completed our United Way campaign ahead of schedule--\$1,250,000 from a small community, about 46,000 people. And it's about a three-county type thing that puts that together and I just think it shows to you what we can do and will do in Grand Island. I probably haven't said very much to have any questions, but if you had one I'd try to answer it. Thank you. [LB435]

SENATOR ERDMAN: Thank you, Ken. Any questions from Mr. Gnadt? Senator Wallman. [LB435]

SENATOR WALLMAN: Thank you, Chairman. Please stay sitting. Okay. I appreciate that vision, you know, even 2015. I went with a bunch of university kids and a couple of teachers (inaudible) 20-25 what kids wanted and I think maybe that's what we should be looking at 20-25. It was jobs, personal reaction. It wasn't about the money necessarily, but it was about keeping communities viable and having a strong institution for learning.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

So thank you. [LB435]

KEN GNADT: I just want to mention this too. Our work force development group in our very active economic development group just reported to the city council about three weeks ago 4,500 new jobs have been created in Grand Island in the last five years. We are a very strong, growing community. We're predicted to hit over 50,000 by 2010. [LB435]

SENATOR ERDMAN: Thank you, Senator Wallman. Other questions? I don't see any. Thank you, sir. Anyone else wish to testify? Is there anyone else besides this gentleman that would like to testify? You're it. Come on up. [LB435]

MATTHEW WEGENER: Thank you. My name is Matthew Wegener, W-e-g-e-n-e-r. I've never understood why someone would fill out an opinion survey and put no opinion; however, I'm here as a neutral party. About 10 or 15 years ago the city went into the Antelope Valley Development Project...excuse me, catch my breath...and that was one of the largest public works development projects that the city of Lincoln has ever gone through, and much of that development project included the university working with the city to create a private-public R&D area in the Antelope Valley park area. And based on that, about a year ago I founded Turbine Flats and we put in a building in that research and development area as a nonprofit business incubator, and now I'm concerned to see that the area that was on the Antelope Valley master plan that was laid out as a pink future R&D area is now on the university's plan for the State Fair Park, a gray area that has no interest in developing a research and development area. And that concerns me that, as one of the first private ventures into the Antelope Valley research and development area, that the target has now moved and has shifted focus across the railroad tracks to a new opportunity. However, I am very much for the research park being developed. I'm just concerned that the university not lose focus of some of the prior commitments that we feel that they made several years ago. [LB435]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

SENATOR ERDMAN: Okay. Thank you, Mr. Wegener. Any questions? Senator Chambers. [LB435]

SENATOR CHAMBERS: Mr. Wegener, I appreciate your coming. I always feel an affinity with somebody who wears a beard. Have you ever read Machiavelli's The Prince? [LB435]

MATTHEW WEGENER: No, I have not. [LB435]

SENATOR CHAMBERS: If you get a chance, read it; then you and I are going to have a chat about how things are done by governments. (Laughter) That's all I would have. Thank you. [LB435]

MATTHEW WEGENER: Thank you. [LB435]

SENATOR ERDMAN: Thank you, Senator Chambers. I don't see any further questions. Thank you for coming; appreciate it. [LB435]

MATTHEW WEGENER: Thank you. [LB435]

SENATOR ERDMAN: One last call: Is there anyone else that wishes to testify? I do not see any. We, on behalf of the committee, want to thank you for your interest today, your interest in this process all along. We have gathered a great deal of information and appreciate all that you have contributed, whatever role you may have played in that. Most importantly we appreciate the fact that we know you're going to go home and you're going to visit with your neighbors and friends and tell them what you've learned today, and we would encourage you to continue to keep in contact with us. We will be meeting this afternoon to discuss what we have learned in this process. We are required, by statute, to produce a report within 8 hours and 40 minutes from right now, so there's no constraint on us. But we definitely appreciate you being here. We have

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
December 14, 2007

allotted the time necessary to make sure you have had this opportunity. We wish you happy holidays and Merry Christmas, and look forward to seeing you again here at the Capitol, maybe during the next upcoming legislative session. That will close the hearing on the portion of LB435, and I would entertain a motion of the committee to go into Executive Session. [LB435]