

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

Appropriations Committee
February 19, 2008

[LB1093 LB1156]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, February 19, 2008, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1156 and LB1093. Senators present: Lavon Heidemann, Chairperson; Lowen Kruse, Vice Chairperson; L. Pat Engel; Tony Fulton; John Harms; Danielle Nantkes; John Nelson; John Synowiecki; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: I think we're going to go ahead and get started here. I'm going to start by introducing the committee. We'll start over to the right. The committee clerk is Kendra Papenhausen; then we have Senator Danielle Nantkes from Lincoln, District 46; Senator John Wightman from Lexington, District 36; Senator John Synowiecki from Omaha, District 7; Senator Lowen Kruse from Omaha, District 13, who also serves as Vice Chair of this committee; my name is Senator Lavon Heidemann, I'm from Elk Creek, I serve District 1 and I am the Chair of this committee. And we have Senator Pat Engel from South Sioux City, District 17; sitting next to his left is Senator Tony Fulton from Lincoln, District 29, will be joining us later, I believe; then we have Senator John Nelson from Omaha, District 6, who is introducing two bills, and he will be joining us later; then we have Senator John Harms from Scottsbluff, District 48. Our page for the day, and he must be already working, his name is Sam; he'll be showing up again later. At this time we ask if you have cell phones to please shut them off as not to be disruptive. Testifier sheets are on the table or near the back doors. We ask that you please fill them out completely and put them in the box on the table when you testify. You do not need to fill out this form if you aren't publicly testifying. At the beginning of the testimony we ask that you would please state and spell your name. Nontestifier sheets near the back doors, if you do not want to testify but would like to record your support or opposition, only need to fill out if you will not be publicly testifying. If you have printed materials to distribute, we ask that you would please give them to Sam at the beginning of your testimony. We need 12 copies. We ask, also in the matter of time, that you would please keep your testimony concise and on topic, under five minutes would be appreciated. With that, we will open up the public hearing. Today we're going to do LB1156, Senator Synowiecki. Welcome. []

SENATOR SYNOWIECKI: Thank you, Mr. Chairman and members of the committee. I present to you today the Nebraska Sports Tourism Advantage Act, LB1156. Essentially, what this bill does is provides for a formula of a 3 to 1 match from the state, out of the Cash Reserve Fund, so that we can maintain Rosenblatt Stadium as the host of the College World Series, here in Omaha or in Omaha. And this issue, obviously, has been the subject of much controversy in Omaha. I would like to say it's an issue of much debate, but it, unfortunately, has not been. In the local area, in Omaha, an open debate and a free-flow of information has not existed relative to this issue. The process has certainly not been transparent relative to the city's intent upon building a new stadium to

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

Appropriations Committee
February 19, 2008

host the College World Series. With that in mind, I want to extend my genuine appreciation to Senator Heidemann and to members of the committee to give us an opportunity to kind of state our case, if you will, relative to Rosenblatt Stadium, as this certainly has not occurred in our local area. Members of the Legislature, given the nature of this issue and the controversy surrounding it in Omaha, has the ability to, as it has done in the past with other issues as well, to rise above local infighting and what not, what comes to mind right off hand is the school issue, much controversy, an emotional issue, but the Legislature provided esteemed leadership for the Omaha...our only metropolitan class city, provided some leadership and some incentives and so forth for all the local school districts at that time. And I see us in this perhaps even equally controversial issue, believe it or not, as us having an opportunity to do much the same relative to the issue surrounding Omaha's dilemma, if you will, relative to this issue and we can develop constructive solutions. Providing a state direct incentive to essentially Save Rosenblatt Stadium is, without question, I think in the best interest of our entire state. The Rosenblatt Stadium, I'm sure most of you have been there, perhaps attended the College World Series at Rosenblatt Stadium is most certainly a unique landmark in our state. It's actually both nationally and internationally recognized landmark, and it's something that is very unique. I've become aware in my conversations with the neighbors along 13th Street there, along Rosenblatt Stadium, it's not unusual at all for folks, might be a football game or a basketball game here in Lincoln, University of Nebraska, might be Texas Tech, might be Texas, Oklahoma, what have you, and these folks will drive to Omaha just to see Rosenblatt Stadium. It is truly a unique venue in the world of sports. I am of the strong belief, and we have a lot of evidence of that with people that will be testifying after me, that the College World Series, the draw of the College World Series, in large extent, is because of the environment that the stadium offers, that it attracts...the stadium and environment of the College World Series, the actual venue serves as the main impetus for attracting visitors to our state. I think you will agree that the state does have a vested interest in maintaining the College World Series in the interest of state tourism dollars. The College World Series generates \$2.4 million in state and local taxes every year, 50 percent of the visitors to the stadium for the College World Series come from outside the state of Nebraska. More than 288 industries experience increased revenues due to the College World Series, and more than \$5 million, \$5 million worth of national promotional messaging is generated by the national telecasts of the College World Series. There will be individuals testifying after me as well that are proponents of this legislation. Again, I think...I'm asking the Legislature to take a leadership role in this to provide a...to influence, to influence the city of Omaha in their decision-making capacity relative to the stadium issue in Omaha, Nebraska. With that, if anyone has any questions for me, I'd be more than willing to try to answer them. I want to thank the Chairman for allowing me to go first, as we talked earlier, I'm not feeling all that well today, so thank you. [LB1156]

SENATOR HEIDEMANN: Thanks, Senator Synowiecki. Senator Kruse. [LB1156]

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

Appropriations Committee
February 19, 2008

SENATOR KRUSE: Senator, just to confirm what I'm assuming with a nonlegal mind. This is drawn up that it could apply only to Rosenblatt? [LB1156]

SENATOR SYNOWIECKI: That is the explicit...let me...another nonlegal mind here speaking. Senator Kruse, that's my explicit intent, yes. [LB1156]

SENATOR KRUSE: Yes. Thank you. [LB1156]

SENATOR HEIDEMANN: Are there any other questions? Seeing none...Senator Engel. [LB1156]

SENATOR ENGEL: I'd just like to make a comment. As far as this being well known all over the country, the last time I was at the airport in D.C., the fellow that was taking care of my bag said, you know, from Nebraska, he said, well, I go out there every year. He drives clear out here every year. So it brings them in from everywhere and mainly to the park. [LB1156]

SENATOR SYNOWIECKI: Particularly from Texas, Florida, California, a lot of my folks in my district rent their houses for people that make it a yearly event where they come in. They lease their homes for the ten days of the College World Series, right there on 13 Street or 14 Street. It's a yearly event. [LB1156]

SENATOR HEIDEMANN: Senator Nantkes. [LB1156]

SENATOR NANTKES: Senator Synowiecki, you mentioned in your opening that really you felt that the issue surrounding the College World Series and Rosenblatt Stadium are in fact state issues. And I agree. I think the benefit that the state receives as a result of these activities is immense. And I thank you and Senator Ashford and Howard and Preister for giving us an opportunity to learn more about these issues and to weigh in. And, I guess, my question is, you mentioned also the level of attention this has received in Omaha and through the local media and otherwise. Are you aware of any other efforts by city officials to reach out to us as state policymakers to really help form a partnership to address these issues? [LB1156]

SENATOR SYNOWIECKI: No, I'm not immediately aware, Senator Nantkes, of any overtures from the city relative to what they have apparently decided to move in a different direction rather than Rosenblatt Stadium. I am in a unique situation in that not only do I represent south Omaha, where Rosenblatt Stadium is located, I also represent the area downtown where the new proposed facility will be located. And just kind of being as objective as I possibly could, I just cannot envision...I went to the Creighton game, a week ago last Sunday, me and my two boys went to the game Sunday night. And it took us literally 45 minutes to get out of that parking lot. And part of our discussions in the car was I can't imagine what this would be like with a baseball

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

Appropriations Committee
February 19, 2008

stadium there, taking up a lot of those parking spots. I just can't imagine. And I spoke a little bit earlier about there's not been a lot of open debate in the public. And there's been, evidently, from what I understand through media reports of an \$800,000-some study relative to the choice to go downtown. Unfortunately, that has not been released. We don't know, the justifications involved has not been released publicly. So again, I want to thank the Chairman, Senator Heidemann, I really do genuinely want thank you for allowing us to have this hearing here this afternoon. It means a lot to us. Thank you. [LB1156]

SENATOR HEIDEMANN: Is the NCAA, and I should probably know this, is the NCAA demanding that something be done with Rosenblatt? Couldn't things go on now as they are or is there a threat of... [LB1156]

SENATOR SYNOWIECKI: Well, if you're asking me my opinion, I think they could. We've had...the College...we have hosted the College World Series at Rosenblatt Stadium since 1950. And I think that it's quite unique in Division 1 college athletics to stay at a venue for that period of time. As you probably are aware, the basketball is done on a rotating basis, and the swimming is done on a rotating, the volleyball. We actually hosted the volleyball tournament here last year or the year before, but it's quite, quite unique to have one city serve as the host. And I'm partial, but I'm of the strong belief that it is because of the uniqueness of Rosenblatt Stadium that we've been able to maintain that level of input in terms of major college athletics. [LB1156]

SENATOR HEIDEMANN: Is this a yearly deal that they... [LB1156]

SENATOR SYNOWIECKI: No, this would be one time, Senator. [LB1156]

SENATOR HEIDEMANN: No, I'm talking about the NCAA deciding where this is going to be held. Do they do this every year? Is it a long-term contract? [LB1156]

SENATOR SYNOWIECKI: There's some people perhaps behind me can answer that. But it has been increments, as I understand it, Senator Heidemann, a five-year contract, I think we've had a couple of two- or three-year contracts. They were kind of just an evolving five-year, maybe six-, seven-year contract kind of...I think Councilman Gernandt might be... [LB1156]

SENATOR HEIDEMANN: Okay. Sorry to...I know you're not feeling good. [LB1156]

SENATOR SYNOWIECKI: No, that's fine. No, that's fine, Senator. [LB1156]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, will you be sticking around to close? [LB1156]

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

Appropriations Committee
February 19, 2008

SENATOR SYNOWIECKI: You know, I'll stick around, whether or not I'll utilize that, I don't know. We'll see. Thank you. [LB1156]

SENATOR HEIDEMANN: Okay. Is there anyone else wishing to testify in support of LB1156? [LB1156]

GARRY GERNANDT: (Exhibit 1) Good afternoon, Mr. Chairman, members of the committee. If I sometimes get a little loud or start to fade a little bit, I'm still suffering the consequences, with the ringing in my ears, from what happened yesterday after the announcement. (Laughter) My name is Garry, G-a-r-r-y, legal way of spelling it, Gernandt G-e-r-n-a-n-d-t. I am the city council representative for District 4, with is southeast Omaha. My boundaries are Center Street to Harrison, 72 Street on the west, straight east to the Missouri River. And inside those boundaries is a diamond in the rough, called Rosenblatt Stadium. I remember, as a boy, standing out in front of Rosenblatt Stadium wearing my Omaha Cardinals T-shirt, waiting for some adult to feel sorry for me, to take me into the game as their child. And we still have that going on today. Well, I don't do it, but (laughter) there is...as mentioned earlier, the...as you travel westbound into the state of Nebraska, we are the gateway to the entry of this state. And when you first look to the north and you see Kenefick Park with those huge locomotives sitting on the hill surrounded by the Botanical Center and its wonderful colors. You start to wonder, wow, what is this? Then all of a sudden your attention is captured by the south part of the interstate, as you're traveling west, where you have Rosenblatt Stadium sitting on the hill. And it says, in big, bold letters, the home of the College World Series. That is very, very important to the state of Nebraska. We have folks from all over the state of Nebraska that come to the College World Series. How do I know? Well, I happen to travel all of the parking lots around there, and I look at these license plate numbers. And I get their attention because they may think I'm trying to rip them off or something like that, but then I come over and we have a wonderful conversation, and they share their stories and their experiences with me. And they want to know, how do you guys do this? And it takes a collaboration. Well, we have a little bit of a problem now, as the Senator has mentioned. But we can solve that problem and the state being a partner in this and benefits from this long-term. And with the infusion of some money we can...it's not throwing good money after bad. You will actually see a benefit from this proposal. Let's take...let's set aside the ambience of the College World Series, and let's set aside the mystique and the tradition of the College World Series. And you look straight down the tube, and what do you have left? Folks, what you have left is this wonderful track record of over 55 years. And we get that because of the modest improvements that we've been able to make to Rosenblatt Stadium, \$35 million over the last 15 years. And the NCAA has been appreciative and thankful and said, yes, we like these improvements. And every year...yes, do they make suggestions for some more? Yes, they do, and the city tries to do their best. And we've been successful with doing moderate renovations and getting five-year increments as we go along. And that has been successful. That's the successful track record in this. And I'm hoping that we have

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

Appropriations Committee
February 19, 2008

a similar situation, but we need a booster shot, and I believe LB1156 provides that. I'm not going to get into the hundreds of stories that the...but I would like to summarize with just one, if I may, quickly. People allow folks to park their cars in their driveways. We have individuals, this one walked out, he lives on Pasadena Avenue. He walks out and he sees one of the people that parked there had a flat tire, so he changed the flat tire. They were from Ontario, Canada. They came back from the baseball game and they noticed that their spare tire was on their car. And he said, well, you had a flat tire, so I changed it for you. And they couldn't believe that someone would do that for them. That's the type of atmosphere that we have in the city of Omaha and that's the type that we want to keep. With that said, the importance is you all know that we have approximately \$92 million going into the infrastructure on I-29 through I-80 and 24th Street. That is this particular project right here in red. We have the infrastructure there that already can handle, and now it's being improved because of what's going to be happening in the future. So it's very, very important. And I have copies for the committee, if...kind of like our council meeting, we have no pages, we have to run around. So that infrastructure is important. So the state does play a part. The state does have a vested interest. I...Senator Synowiecki alluded to and there was a question in regards to traffic. I sit before you, I'm a retired Omaha Police sergeant. I served 31 years in the city. I know what gridlock is like. And I can tell you, categorically, if we put a stadium downtown that's exactly what will happen. I don't...they can talk studies until it comes out of their ears. Gridlock will happen. We don't have that problem to the extent with Rosenblatt because of the plan that's in place there and the way that it's situated and close to the interstate. We don't have that. So in closing, I would urge the committee to advance LB1156 to the floor so that we can have some debate. Thank you. I'll be available for questions. [LB1156]

SENATOR HEIDEMANN: Senator Engel. [LB1156]

SENATOR ENGEL: Just a comment. Last night coming back from the airport, you were on the radio, so I listened to you all the way to Lincoln. (Laughter) [LB1156]

GARRY GERNANDT: I feel sorry for you, sir. [LB1156]

SENATOR ENGEL: And I enjoyed it. [LB1156]

SENATOR HEIDEMANN: Senator Nelson. [LB1156]

SENATOR NELSON: Councilman, my sons and I have attended a lot of games down there at Rosenblatt for the College World Series. And we generally, in order not to have to pay quite a high fee, walk quite a ways. If Rosenblatt is in fact renovated, do the plans include additional parking closer to the stadium? Do you know? And the second part of that question, the NACA (sic), is it going to require that more area be devoted, I guess, for retail and things? Would that mean buying up a lot of the homes in the vicinity

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

Appropriations Committee
February 19, 2008

there, to make the space, do you know? [LB1156]

GARRY GERNANDT: The answer to your parking question is yes. And the answer to the vendor area or clean zone, will families be impacted? Yes. The impact along 13 Street would be minimal, due to the fact that the majority are already commercially owned. Depending upon...if you...if the plan that Save Rosenblatt presented, and if a portion of that is used, no, not many homes would be impacted south of Burt Murphy. If you use the city's plan, yes, several families would be impacted because the plans go all the way south to Atlas Street. [LB1156]

SENATOR NELSON: In the renovation it appears that what they want is a see-through sort of thing so that when you're inside buying things from vendors that you can also see the game going on. Is it going to be possible to do that with that stadium and still have the ball games go on each year? Are they going to have to move someplace else while the stadium is being renovated? Have you taken a look at that? [LB1156]

GARRY GERNANDT: Current plans for the renovation of Rosenblatt, under the intermediate plan that the city came down to in narrowing it down from eight to two, and the Save Rosenblatt plan will not allow for an open concourse to view the field. [LB1156]

SENATOR NELSON: Okay. [LB1156]

GARRY GERNANDT: However, there are TV monitors all in the concourse, so if you're buying that \$6 hot dog, you'll still be able to watch the game. [LB1156]

SENATOR NELSON: Just an observation. I agree with regard to the parking and the gridlock that I think would occur if there was a stadium downtown where they're proposing it. It looks to me like they'd have to shut the Qwest Center down, itself, for a couple of weeks. And I'm not sure that that's a viable alternative. So... [LB1156]

GARRY GERNANDT: Um-hum. You're absolutely correct. That Qwest Center is there to make money. And I do not believe that they will shut down for 14 days, if a stadium is built downtown. They are there to make money and to make sure that those things get paid off, that facility gets paid off. [LB1156]

SENATOR NELSON: Thank you. [LB1156]

SENATOR HEIDEMANN: Senator Fulton. [LB1156]

SENATOR FULTON: Thank you, Councilman, for making the trip. What happens...I guess, I'm not...I've somewhat followed, but I'm not entirely familiar with the plans that...I know there have been different plans brought forward with regard to how to keep the

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

Appropriations Committee
February 19, 2008

College World Series in Omaha. [LB1156]

GARRY GERNANDT: Yes, sir. [LB1156]

SENATOR FULTON: Let's say that the Legislature does decide to move forward with this bill and does appropriate a certain amount of Cash Reserve funding with the intention of renovating the existing Rosenblatt Stadium. What does that do to the local purview and planning that is now going on? [LB1156]

GARRY GERNANDT: It would just merely take a revision of what they have already put or have already proposed or what they plan to propose to the public, who they have shut out so far in this particular process. It would take a revision of that and/or what Save Rosenblatt has proposed as far as the financial package is concerned. Would it be a difficult process? I don't think so, Senator. I think just the mere fact of getting the heads together and saying, okay, we got 20, we need to produce 60. They've already proposed an \$80 million plan. There you go. [LB1156]

SENATOR FULTON: So this would...so if we move forward with this, it doesn't necessarily mean...I guess I'm trying to figure out if we move forward with this, does this bode to any particular...there are varying positions and ideas with how to move forward with Rosenblatt. [LB1156]

GARRY GERNANDT: Um-hum. [LB1156]

SENATOR FULTON: If the Legislature comes in with this \$20 million, does this...does that make one of the positions more attractive than the others? I guess, I'm trying to determine what's the appropriate response on behalf of the state? Because we will be influencing a decision made at the local level. [LB1156]

GARRY GERNANDT: I would say that with the proposals that have been studied, those have been narrowed down to two. One would probably look better than the other. [LB1156]

SENATOR FULTON: Okay. [LB1156]

GARRY GERNANDT: And if I was a betting man, it would be the \$80 million one. [LB1156]

SENATOR FULTON: Okay. Thank you. [LB1156]

SENATOR HEIDEMANN: Senator Kruse. [LB1156]

SENATOR KRUSE: Councilman, thank you for coming. Mine again is a legal question

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

Appropriations Committee
February 19, 2008

confirming who owns Rosenblatt? I'm assuming that is city, is that... [LB1156]

GARRY GERNANDT: That's correct. [LB1156]

SENATOR KRUSE: That's straightforward and there's no other ifs, ands, or buts on that? [LB1156]

GARRY GERNANDT: That's correct. [LB1156]

SENATOR KRUSE: Thank you. [LB1156]

SENATOR HEIDEMANN: If I'm following this right, I mean, the city wants to build a new stadium downtown. And if we do this, you would have to find matching funds. I would have to think there would be a reluctance on the city's part to be part of that. Where would you get the funds to do this? [LB1156]

GARRY GERNANDT: Using the current thought process of bonding, a public-private partnership of bonding and private funding, with the possibility of increasing various taxes, such as maybe the car rental tax. And I'm not saying that that's set in stone, folks. I'm just saying that this is what has been proposed to the council, both in open and closed meetings. The other one, a hotel/motel tax. There was controversy with the entertainment tax early on. Those types of things would be looked at and formulated into a package. If the state infuses this \$20 million, a portion of that or maybe all of that would be made applicable to make that \$80 million package happen for the renovation of Rosenblatt. [LB1156]

SENATOR HEIDEMANN: Okay. Are there any other questions? Senator Nantkes. [LB1156]

SENATOR NANTKES: Hi, councilman. Thanks for being here. [LB1156]

GARRY GERNANDT: You're welcome. [LB1156]

SENATOR NANTKES: Sharing your considerable expertise on this issue, as you know, we're just kind of getting up to speed on what you've been dealing with for a long time. But, I guess, I'm not convinced that the specifics contained in LB1156 may be the right way for the Legislature to intervene or not. But ultimately this legislation could be amended or changed to ensure that we could be a strong partner with the city of Omaha in achieving the desirable outcome of keeping the College World Series within Nebraska. And I guess that's my question to you is, are you open to all possibilities, that our end goal should be trying to retain the College World Series in Omaha or is your position simply that the College World Series needs to stay at Rosenblatt, period? And maybe that was circular, but okay. [LB1156]

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

Appropriations Committee
February 19, 2008

GARRY GERNANDT: Good and fair question. I would say our ultimate goal, folks, is to keep the College World Series in Omaha, Nebraska. I believe, and I have had over 39 years of experience in connection with the College World Series in different formats, one that I had mentioned earlier, that Rosenblatt is the best venue. You can see, if you've been following the dialogue in our city, all of the things that would be wrong with downtown. We don't have those problems existing at Rosenblatt Stadium. We have overcome them or they just never materialized. So I would say, in my opinion, that the best venue would be Rosenblatt Stadium and would want it to stay there. But politics is the art of compromise. And I know that if we get this out of committee and onto the floor and get some discussion, I will be listening with both ears. [LB1156]

SENATOR NANTKES: Thank you. [LB1156]

SENATOR HEIDEMANN: Senator Engel. [LB1156]

SENATOR ENGEL: Councilman, if the one downtown would prevail, where do they get their money? [LB1156]

GARRY GERNANDT: The same type of financial package with the public-private partnership is what has been proposed to the council. And I'm assuming that hasn't changed when the mayor leaves next week for Indianapolis to make that pitch to the NCAA. [LB1156]

SENATOR ENGEL: Thank you. [LB1156]

SENATOR HEIDEMANN: Senator Wightman. [LB1156]

SENATOR WIGHTMAN: Councilman, I guess to follow up on those questions, your proposal or Senator Synowiecki's proposal would be that this money be held in this fund, and it would be only used for Rosenblatt. So if... [LB1156]

GARRY GERNANDT: That is correct, sir. [LB1156]

SENATOR WIGHTMAN: So if we were looking at another option, then this money wouldn't be used I gather? [LB1156]

GARRY GERNANDT: That is correct, sir. [LB1156]

SENATOR WIGHTMAN: And it would not be used for any downtown development? [LB1156]

GARRY GERNANDT: That is correct, strictly for Rosenblatt Stadium. [LB1156]

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

Appropriations Committee
February 19, 2008

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for testifying today. [LB1156]

GARRY GERNANDT: Thank you, Mr. Chairman, committee members. [LB1156]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB1156? Out of curiosity, how many people are here today to support...want to testify in support of LB1156? In opposition? In the neutral capacity? Thank you. Welcome. [LB1156]

JASON SMITH: (Exhibits 2 and 3) Hi. It's good to be here. It's good to be in front of government listening. I'm Jason Smith, J-a-s-o-n S-m-i-t-h. I'm here in one capacity as the president of the Deer Park Neighborhood Association in Omaha, Nebraska, which is an association around the stadium area. So that's an understanding that I have. But also being vice president of what's called the South Omaha Neighborhood Alliance, a grouping of organizations in the community who have come together in that quadrant of the city to have a collaborative effort for the betterment in the future. And, of course, also I am the chairman of the Save Rosenblatt Committee, hoping to fill a void that's been left in our local government. And that's why it's so good to be here today, because we citizens just really want to be heard. And that's what it's about is democracy and being proud of the fact that in Omaha, Nebraska we can say we have what is in Lincoln, the stadium. It's been there for so long for football. And we look at this...at the gateway of Omaha, Nebraska as something that we're proud of, that we can brag about throughout the country. And we believe that that's a big part that hasn't been heard and that needs to be represented as it relates to the state. I want to say, based on the question I had heard earlier in reference to the NCAA and a demand or not, we've had private communications from the NCAA, Dennis Pope, and we've had private conversations with Mayor Fahey. And specifically, in this e-mail that I'm looking at right here, the phrasing is the NCAA has not demanded a new stadium. So just to point at that, that was brought up earlier. We're just trying to get the truth out and we're trying to be heard by the government that's so important to us. So I want to show here what's hopefully been given, some of the petitions. And we have gone around, on our own, from a grassroots perspective from that direction because we had to. And there is at least 8,000 strictly Nebraska people who have...residents who have signed the petition on-line and in person. And right here I have the handwritten signatures. And this is the only time I've brought them out in public to show people, for one, because we haven't ever had the opportunity, other than just to stand on our own, but in an official, you know, capacity of talking to government. And this is only half of them; this isn't even 50 percent right here, with each fold over being 100, 100. So...and it's just a testament, a physical testament, along with these right here, the on-line signatures. So, yeah, I'm appealing to an emotional aspect of this, and a sentimental importance and the idea of people wanting to be heard by government. It's a sensitive issue in that way. But it is an economically viable entity for the state as it's on the gateway, as it's something that

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

Appropriations Committee
February 19, 2008

we're proud of, just like we are with Memorial Stadium. And we know that the long-term future of this in the state is going to keep us at that level nationally, as it always has, for almost six decades and multiple generations. As the chairman of the Save Rosenblatt Committee I've never been out there, none of us have, to convince people and persuade. We've only wanted to be heard in a fair forum in front of government. And we're coming to the state pleading for an ear and for a backing, a fair backing. It's never been a bias from our perspective, it's been repeating of what's been said. We're a megaphone for the people because, as I said, there's a void that's been left, and it's hurtful, to put it into a term. So we have sentimental aspects of this that are crucial in a sense that this is a democracy and people should be heard. But it's very rational and very realistic to say that this is crucial to the state, it's crucial to the citizens who believe that there should be money spent on it, a necessary level of money, not an unnecessary amount that may have been escalated based on certain agendas of others, but that we just want a fair ear of government. And we're coming to the state because we know it's important to the state. And to hear what you want to have to say, and get on the legislative floor and hear what all the senators would want to say about this so that they can begin to represent the people there in Nebraska. So I'd like to answer any questions. And that's really what I've done best is not just stand and talk to people, but go out to community organizations to answer questions. So I want to answer any questions, and it's really from that grassroots perspective. I can tell you what's going on with the thousands and thousands of people I have talked to. [LB1156]

SENATOR HEIDEMANN: Are there any questions of Jason? Senator Harms. [LB1156]

SENATOR HARMS: Thank you very much for coming. From the sounds of it, I've not really tracked, you know, real heavy with what the issues are, other than what I might read in the paper that your government then is not very transparent. In other words, is that what you're saying? Basically, you've not had the right or the opportunity? [LB1156]

JASON SMITH: Yeah. [LB1156]

SENATOR HARMS: Why is that? Could you share with us? And how do we get there to get this thing to...for you, to have it be heard? [LB1156]

JASON SMITH: Well, absolutely. Sure. Very briefly, I would just say that with what we're bringing out right now, information wise, and that information being to lay it out flat, open, for everyone to see that we're striking at the core of what you're asking. We have seen that there hasn't been transparent government, and we haven't had that opportunity because there has been behind closed doors deals, and it's been decided from the very beginning while it's otherwise stated as a process of unbiased, looking at different options. So that's the answer is that it has been decided from the beginning. And there is a singular agenda. The news coming out is this is no surprise, when we hear the recommendations from a committee who, you know, has overlapping interests

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

Appropriations Committee
February 19, 2008

with each other, that this would occur. [LB1156]

SENATOR HARMS: It's close to unfortunate, because it's a sad day for the city of Omaha. It's the biggest city in the state and if they're not transparent here and they're creating the issues they are it's a sad day for government, quite frankly. [LB1156]

JASON SMITH: Right. And that's...you know, somebody asked me on the radio the other day, I don't even remember if it was television or radio, I can't even remember. You know, wanting to hear what we think. And I said...they asked, what's more important, Jason, is it democracy, is it representing the people and, you know, just getting your voice out there and being heard, or is it the stadium, is it the structure? Are you just proud of it, and is it because you, you know, are from that area? And I said, it's absolutely both. I mean, of course the structure is important, of course it's important for sentimental reasons, which is a valid point when we're talking about a quality of life issue, but economically as well. I mean, if it's going to cost that much less for the citizens who don't want to be taxed so much, whether it's a direct or indirect tax. But then, of course, democracy is important, of course, listening. If you're crushing the civic spirit of people and you're defiling democracy, how is that not crucial in an issue when the other side only wants to focus on the economic business aspect. And so I, again, am appealing to that side of things that is important to the hearts of people. It is crushing the civic spirit. [LB1156]

SENATOR HEIDEMANN: Senator Nantkes. [LB1156]

SENATOR NANTKES: Hi, Jason. Thanks for coming down. You obviously speak with a lot of passion about these issues and have done a good job organizing a true grassroots effort. [LB1156]

JASON SMITH: Thanks. [LB1156]

SENATOR NANTKES: But, I guess, one thing, and it kind of dovetails along the lines of Senator Harms' question, that concerns me is that in light of this dialogue this is, of course, closely being watched by all of those who care about the College World Series, inside and outside of Nebraska, including the NCAA. And, I guess, the tone that this debate has entered into, I think, is really disappointing. And I think words do matter. And I think that, you know, what are your ideas in terms of moving forward in a collaborative sense, in a true partnership, coming to the table with solutions rather than just accusations, which are your right to record as well. But, you know, I'm not an Omaha resident so I can't speak to the specifics of it. But I think that, you know, Mayor Fahey has a long and distinguished tenure in service to the city. And so, of course, this is obviously an emotional issue. And so the rhetoric can ramp up pretty quickly and pretty dramatically. And I'm just wondering what your ideas are in terms of how we move forward from today forward? [LB1156]

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

Appropriations Committee
February 19, 2008

JASON SMITH: Well, thank you, Senator, for asking that question. And it was nice to meet you today. And I appreciate you saying hello and asking that specific question, because it's really important, the idea of collaboration as it is sort of a cousin, if you will, of the idea of democracy that I'm speaking of and that civic spirit. Absolutely, what we want to do is go forward and cooperate and do the best thing for the people. The best thing for the people is, number one, for them to be heard and be a part of the input and the deciding factor as it then moves on to the representative level. But until that occurs that the people can actually collaborate and get together in public hearings and at least feel, in some sense, if not, you know, that they're being a part, if not actually have part of it in those public hearings, then there is no hope for that collaboration. And that is at the core of what we're intending to do as the Save Rosenblatt Committee that I'm chairing, completely for the people to have that peace, to have that knowledge that they have been a part of this. And again I have to say it's hurtful. That's a term that...it's a soft term, but it's really what has occurred over the summary of all things. We've sort of been beat down you could almost say. We just want to have a say in a fair system of government. That's all there is to it and we haven't had that at all. [LB1156]

SENATOR NANTKES: Thanks. [LB1156]

SENATOR HEIDEMANN: Senator Fulton. [LB1156]

SENATOR FULTON: I just want to go on record. This is impressive. I'm a big believer and I love to see grassroots politics, and this is impressive. [LB1156]

JASON SMITH: Thank you. [LB1156]

SENATOR FULTON: Senator Engel wanted to know if you used outside state petitioners to circulate the petition? (Laughter) [LB1156]

JASON SMITH: We had people from all...actually about four or five people overseas signed it, by the way, for whatever that's worth. [LB1156]

SENATOR FULTON: Thank you for bringing this down. It's impressive. Regardless of which way the committee ends up going, this is something worthwhile. [LB1156]

JASON SMITH: Well, the peoples spirit needs to be raised. [LB1156]

SENATOR HEIDEMANN: Senator Kruse. [LB1156]

SENATOR KRUSE: A similar question. It's not your question, Jason, but it's the question today around here. Can you confirm that you have not paid anybody for these signatures that you're putting out here? [LB1156]

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

Appropriations Committee
February 19, 2008

JASON SMITH: Absolutely. [LB1156]

SENATOR KRUSE: Thank you. [LB1156]

JASON SMITH: Thank you. [LB1156]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for testifying today. [LB1156]

JASON SMITH: Thanks for letting me speak. [LB1156]

JIM SUTTLE: Senators, my name is Jim Suttle, S-u-t-t-l-e. I've been asked to extend greetings to you from former state Senator Deb Suttle. And having done that, I will now be allowed to go home tonight through the front door. (Laughter) [LB1156]

SENATOR KRUSE: Return our greetings to Deb. [LB1156]

JIM SUTTLE: I will do that. The sheet says here at the bottom organization represented. I normally only say myself, as I'm here in that official capacity as an elected official. But I put on your sheet a slash, and then I wrote the people. And I did that for this reason, because since July 1, everywhere I go I ask questions of the group I'm with, whether it's large, small or whatever, rotary clubs or neighborhoods, or pancake feeds at churches, talk to me about Rosenblatt and the downtown stadium. And clearly since July it's been 80-20 Rosenblatt. So the people have been added to this sheet. I'm a dreamer. I love to dream. I got paid handsomely to dream in my professional career as I figured out how to take the company I worked for to the future. But once the dreaming was in place we had to go back and do something else, and that's look at the realities of today and what we could afford to do. That was the question that I posed to Mr. Stinson and other members of the baseball committee when it got started a few months ago. What can we afford to do? If they would have started with that question, we would have had some sobering information in front of us as we looked at the debate between downtown, Rosenblatt, or whatever. And if we would have engaged the people in an open process to see where we were with what we could afford, I submit we would have come up with ideas on how to enhance that position to a comfortable level with all the partners participating, and we would be in a position to meet with the NCAA next week on finalizing the right steps to enhance and keep the College World Series as the premiere event it is. Last week, I came out publicly, and my colleague, Garry Gernandt stood with me, and Jason stood with me, and we talked about what we'd been hearing, at least Garry and I, in the private briefings, on how to finance this downtown stadium. It was based upon professional work, good professional work by those that have been engaged by the baseball committee. But every number and every forecast had to be hit. I want to ask you a question throughout your entire life, whether it's personal, whether it's

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

Appropriations Committee
February 19, 2008

government, whether it's your work, your church or your rotary club or whatever, when the forecasts were made, how many times did you actually hit the numbers in reality? So I asked this question when we had the briefing, if these numbers don't work, who is going to guarantee the shortfall? And that answer was, the city of Omaha. That answer was the taxpayers. So I felt this was a very, very veiled de facto way of going back and putting this on the shoulders of the people when it didn't work, and thus put it on the property tax, without a vote of the people. Let's talk about, instead of the criticism of what was done and where we are, since we still didn't ask that question of what can we afford, and let's talk about ideas that can get us there. I felt then and I still feel strongly today, and you'll hear me continue to say this, that we need a stable, dependable revenue stream that can sustain the types of dreams we're talking about over here for a baseball stadium. I think, though, that the time is here that we also need to make a policy decision, and that policy decision is that baseball is going to be played at Rosenblatt. The history and the nostalgia is so, so important to the livelihood of the game. When you walk through the stadium with no one there, as I have done, to see what I could see, it begins...you begin to hear it. And you can hear the crowds when they're not there, no one is there but you. And you can hear the history and you can hear all the thrills of children and adults and seniors and players of the game. A stable, dependable revenue stream in place that all the stakeholders have agreed to is what we're going to do. Stakeholders, in my opinion, it starts with the people, but should include the five counties and those cities therein and the two states, because both Iowa and Nebraska benefit from this joyous two-week period. The first hotels to fill up are the casino hotels. They have an interest, they should become stakeholders in Pottawattamie County, Council Bluffs. So if we put a stable stream in place, then we can buckle down to do those types of improvements that are going to make a better College World Series, a better Rosenblatt, and a better enjoyable event for all. Having said that, you have in front of you a bill to consider as a stakeholder in parking dollars, \$20 million into that stream. I think we should create a sports facilities capital fund. Your \$20 million can be the first dollars to go into that, and encourage the other players to come forward and decide what they can do, and what they should do, and how they should do it. Whether we call it that or whether we call it something else, this is the right way to do it and it's a time for leadership, it's a time for the partners to step forward. And we would welcome the state of Nebraska to take that first step. Thank you. I'll entertain any questions you have. [LB1156]

SENATOR HEIDEMANN: Thanks, Jim, for testifying today. Are there any questions?
Senator Harms. [LB1156]

SENATOR HARMS: I'd just like to say thank you very much for coming. You helped me better understand what the situation is. I grew up in an area where I never had the fortunate opportunity to have something like this. So I've never been a real fan of baseball, but I really understand what you're talking about. I would have to tell you this, I think that all three of you spoke from the heart. It tells me that there's a lot of passion

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

Appropriations Committee
February 19, 2008

here in what you believe, and I thank you very much for that, because we don't always see that with people... [LB1156]

JIM SUTTLE: I appreciate the kind words. Thank you. [LB1156]

SENATOR HARMS: ...people come here to do that. [LB1156]

JIM SUTTLE: We'll share those with our colleagues and others that did not come down today. [LB1156]

SENATOR HARMS: Yeah. The other thing, though, that you wanted to tell your story. Well, you've told your story today because you got the media here. You've got people that are listening. And I would say thank you for having the courage to come forward against your own government and your own city and representatives to say this is the story that we want to have told. I hope that it will be somewhat beneficial for you. I hope that you'll stimulate other people to come forward. I'm not sure what we'll do here. You know, it takes the committee members to make that decision. But I will tell you one thing, I have a much better understanding about what's going on. I appreciate...and the way that you told your story, I think that's very important. It was done very professional, and you weren't being critical. You just wanted to tell the story as you saw it, with passion. So thank you very much. [LB1156]

JIM SUTTLE: Thank you. [LB1156]

SENATOR HARMS: You're welcome. [LB1156]

JIM SUTTLE: And I would say that whether you pass this or not, you have done what government is supposed to do, you've created a forum for the people and the peoples representatives to come before you to talk, and that's a good step. This is a tough decision for you. It's a bold decision, but something has to be done bold right now, thus the conversations that we initiated last Wednesday about looking at this from a more regional viewpoint as opposed from a very narrow viewpoint. So thank you. Any other questions? [LB1156]

SENATOR HEIDEMANN: Seeing none, thank you for testifying. [LB1156]

JIM SUTTLE: Senators, thank you very much, appreciate it. [LB1156]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in favor of LB1156? Seeing none, is there anyone wishing to testify in opposition on LB1156? [LB1156]

SUSAN SCHLOSSER: Hello. I am simply representing myself. I am a homeowner in the area. My name is Susan, and my last name is spelled S-c-h-l-o-s-s-e-r. And my concern

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

Appropriations Committee
February 19, 2008

about this basically is that some of the plans call for displacing some of the homeowners in the area, and I would be one of those homeowners. And for the sentimental value of Rosenblatt, I appreciate that. We're talking about a facility that really is only busy two weeks out of the year, for the College World Series. The Royals organization is not really supporting the full use of that facility. The games are never full. You know, they try to run promotions and what not to get people to come to those games, but really they don't have the driving force. Maybe a new stadium downtown would give that force where the Royals themselves would be supported just outside of the College World Series. And as a homeowner, granted, there are a lot of people in my neighborhood who profit from the College World Series, but there is also a downside to that as a homeowner. My property is adjacent to Alice Street and 10,000 people walk by my property every day during the World Series. I end up with so much trash on the property it's unreal. And then I pay the expense to remove that trash and haul it out of the property. And quite frankly, displacing homeowners is a potential side effect of this particular plan. It's disturbing to me because it's a blue collar neighborhood, it's a lot of retired people. It may be damaging to the homeowners, in general, to be displaced as part of this plan. So if this plan were to move forward, I wouldn't want to see any proposals that involve moving any homeowners out of the area. I think that would be a disservice to the community quite frankly. And that's pretty much all I had to say. [LB1156]

SENATOR HEIDEMANN: Senator Nantkes has a question, if you would entertain one? [LB1156]

SUSAN SCHLOSSER: Sure. [LB1156]

SENATOR NANTKES: Hi. Thanks for coming down on your personal time this afternoon and sharing your ideas. And just to make clear for the record, is your home situated in a location so that you're part of the Deer Park Neighborhood Association? [LB1156]

SUSAN SCHLOSSER: I am part of the Spring Lake Neighborhood Association. [LB1156]

SENATOR NANTKES: Okay. And then working...have you brought some of these concerns to your neighborhood association? [LB1156]

SUSAN SCHLOSSER: No, because, honestly, until last week I didn't realize the implication that this could bring to me as a personal homeowner. [LB1156]

SENATOR NANTKES: Okay. [LB1156]

SUSAN SCHLOSSER: And I felt it necessary to come here today to address that.

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

Appropriations Committee
February 19, 2008

[LB1156]

SENATOR NANTKES: Okay. Well, that might be a good avenue to address some of those concerns as well. [LB1156]

SUSAN SCHLOSSER: Um-hum. [LB1156]

SENATOR NANTKES: But I just wanted to clarify. Thanks. [LB1156]

SUSAN SCHLOSSER: Sure. [LB1156]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for testifying today. [LB1156]

SUSAN SCHLOSSER: Thank you. [LB1156]

SENATOR HEIDEMANN: Does anyone else wish to testify in opposition of LB1156? Seeing none, is anyone wishing to testify in the neutral position on LB1156? [LB1156]

DAN MORRISSEY: Good afternoon. My name is Dan Morrissey. I'm the president of the Omaha Sports Commission. I want to thank you, the committee, this afternoon for allowing me the opportunity to testify in a neutral capacity about the economic impact of the NCAA men's College World Series. In 2003, College World Series of Omaha, Incorporated, which is the host organization for the College World Series, commissioned an economic impact study by Dr. Ernie Goss, the head of the Creighton University's Economic's Department. Some parts of the study have been recently updated and many of the figures that I will be quoting from come from Dr. Goss's work, in addition to some information from my own files, from files of the NCAA, and ESPN. Suffice it to say that I'm sure that all you've heard today is that the College World Series is a major economic prize for the state of Nebraska and Omaha; 1950 was the first year of the College World Series in Omaha, the total attendance that year was 17,805, that's the total attendance; last year's total attendance was 300,702. Between 1970 and 2007, College World Series attendance grew by almost 303 percent, or a compounded annual growth rate of about 3.8 percent. The average session attendance in 2007 was 23,123. By comparison, let me give you the 2007 overall average attendance figures per game from some professional teams across the country, and these are from ESPN's web site. For example, keeping in mind the attendance figures of the College World Series, last year, of 23,000 plus, the Detroit Pistons from the NBA, the highest average attendance was 19,534; the second highest was the Chicago Bulls at 19,463; and then the Indiana Pacers were the lowest at 14,645. The NHL's leading team, which is the Detroit, excuse me, the Montreal Canadiens, it was 19,107; the second highest Detroit Red Wings, 18,487; the lowest, the St. Louis Blues, 14,000. So you can see that we...the College World Series outpaces many of these professional teams. In 2007, an estimated 45

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

Appropriations Committee
February 19, 2008

million viewers turned into the national broadcast coverage of the College World Series from Omaha, Nebraska. And if you've ever watched an ESPN broadcast, you know the announcers regularly tell people what a wonderful place Omaha and Nebraska is. And literally, we have heard stories over the years that the ESPN crews will fight for the position of coming to Omaha, Nebraska to support the College World Series. There are other significant events that happen around the College World Series and add to the economic clout of the College World Series. For example, there's an organization out in Colorado called Triple Crown Sports, and they sponsor a tournament they call the Slump Buster. And the Slump Buster, last year, drew 325 teams and nearly 10,000 players, coaches and fans to Omaha. They also purchased 10,000 general admission tickets for the series, and these tickets were used by 9- to 18-year-old players in the...and their coaches and families. The Slump Buster tournament teams come from 40 states, including Hawaii. It's just one of several tournaments that are held during the College World Series. Each year the College World Series attracts a significant number of visitors to the greater Omaha metropolitan area and to the state of Nebraska. About 48.5 percent of College World Series attendees come from outside of Nebraska. In 2007, that would translate to nearly 145,000 nonresidents of the state of Nebraska. About 7.4 percent of College World Series attendees come from Nebraska, outside of Omaha, and about 17.5 percent of College World Series season ticket purchases are made by non-Nebraskans. These are...we have season ticket holders for the College World Series from most of the United States, including Alaska and Hawaii, and we have season ticket holders from baseball hotbed states such as California, Florida, Texas and Louisiana. The College World Series attend not only series, but also other tourist attractions in the area. For example, Dr. Goss's study quoted that 64 percent of non-Nebraska College World Series visitors planned to attend another Omaha area attraction while they were in town; 47 percent of non-Nebraska visitors planned to visit Omaha's Old Market; and almost 34 percent of non-Nebraska College World Series visitors planned to visit the Henry Doorly Zoo, located just adjacent to Rosenblatt Stadium. In 2007, College World Series visitors spent more than \$25 million in Omaha. As you can imagine, this has obviously a tremendous significance to the local economy. The patron spending added an estimated \$41 million to the Omaha economy. And Dr. Goss estimates that between 2008, this upcoming College World Series, and 2018, in other words 10 years, the College World Series will add, in 2008 dollars, \$579 million. To state and local tax collections College World Series spending generated almost \$1.6 million in city of Omaha tax collections. And Dr. Goss estimated that between, for the next 10 years, College World Series will add \$19.3 million, again in 2008 dollars, to Omaha tax coffers. An estimated \$3.3 million were generated by the 2007 series for state and local tax collections. And again, Dr. Goss has estimated that for the next 10 years the College World Series will generate almost \$47 million in state and local taxes in 2008 dollars. There's a huge amount of labor force that's involved with the College World Series, and Dr. Goss estimated that there were roughly 537 year-round jobs with a total payroll of \$112.1 million annually, and that means his projection for the next 10 years would be 725 jobs with a total payroll of \$182 million. Also, there is a lot of state

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

Appropriations Committee
February 19, 2008

and local long-term economic growth. The College World Series contributes to the attractiveness of Omaha and Nebraska, encouraging immigration and discouraging out-migration. Undoubtedly, our reputation of hosting the College World Series has helped us bring a lot of other very important events to our state, events which I'm very familiar with, and events which I've been involved in, and that is the NCAA men's basketball first and second rounds coming to Omaha, here next month, the United States Olympic trials for swimming, which Omaha will host in late June and early July of this year, and also the return of womens' volleyball in late December, in 2008. There's saturation on local sports radio, there's saturation on ESPN while it's in town. In fact, ESPN's famous Sports Center comes to town, has been coming to Omaha since 2004. There is a web site, cwsomaha.com, and it enjoys an amazing amount of traffic, and some from Japan link back to it, and it's had more than 4 million page views in 2007, and has 802 pages indexed on Google. Again, based on 2003 figures presented by Dr. Goss, it would cost Omaha civic organizations in excess of \$5 million annually if it were necessary to pay for the local and national promotional messages that are generated when the media's attention turns to the College World Series every June. I'd like to note that the organization responsible for hosting the College World Series, and that's College World Series of Omaha, Incorporated, has done its best to give back to our community and show our citizens that the College World Series makes an impact beyond the ten days when the games are played each June. And since 1973, College World Series of Omaha, Incorporated has donated more than \$3,377,000 to help improve baseball and softball fields. And it's not just in Omaha, College World Series of Omaha has granted requests in Gretna, Blair, and as far away as Broken Bow. In conclusion, I'd like to reiterate that the College World Series is a unique and powerful vehicle for bringing both money and positive public relations to the city of Omaha and the state of Nebraska. The sustained and overwhelmingly positive commentary we receive is truly rare and priceless. And it's my personal hope that the College World Series stays in Omaha and in Nebraska for a very, very long time. Thank you very much. [LB1156]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thank you for testifying today. [LB1156]

DAN MORRISSEY: Great. Thank you. [LB1156]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in the neutral position on LB1156? Seeing none, Senator Synowiecki waives closing. With that, we will close the public hearing on LB1156 and open up the public hearing on LB1093, Senator Harms. [LB1156]

SENATOR HARMS: My name is John, J-o-h-n, Harms H-a-r-m-s, represent the 48th Legislative District. Senator Heidemann and distinguished committee members, thank you for giving me the opportunity to visit with you about LB1093. You know, one of the

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

Appropriations Committee
February 19, 2008

fastest growing businesses in America is actually cottage industry, home businesses, entrepreneurs developing all of these. And one of the major problems that they have is that once they start their dream they have difficulty taking that dream and that business to the next level. They just can't sometimes seem to get over that particular line. And a lot of it deals with being able to market, being able to just move from one place to the other in their business. And the neat thing about GROW Nebraska is that GROW Nebraska really addresses that issue. I think that GROW Nebraska, quite honestly, is a diamond in the rough. I did not even know about GROW Nebraska until I got here last year and I had a chance to interface with some of these folks. And I began to understand what they were talking about, what they were doing. And I think it's a great asset for greater Nebraska, but this thing is not discriminatory about where it goes. I mean they are in Lincoln and Omaha, small businesses that are popping up are home businesses, cottage industry, whatever term you want to use. And I just think that with a little help and a little assistance we can find some really good things to happen in greater Nebraska. To grow our own in some of these smaller communities is the key, I think, to the future. They want to keep their communities active and alive and growing, and this is the opportunity for them to do that. GROW Nebraska was established in 1998. It helps the entrepreneurs market their products that they produce. They are...there are 81 counties involved out of the 93 counties in Nebraska. They have 271 entrepreneurs involved in this. And I would have to tell you that most of those people would have struggled without GROW Nebraska giving them the opportunity and helping them market. What they sell and what they market, and what they produce is amazing for me. They'll be here, there will be some people following me that will give you a lot better answers than what I'm probably able to give you today. But they have a catalog that shows you what we produce here in Nebraska, and to me it's astounding. It goes from coffee, candy, to food, you name it, they are producing it in this great state. And without that, I think that some of our smaller communities probably would not do as well because they hire their neighbors, they hire their friends, they hire whoever will go to work for them, and all of a sudden they have 5, 10, 15, 20 people working for them. They market throughout the entire...they market Nebraska, they market throughout the United States. And what really amazes me after visiting with them again this morning, they market internationally on some of the products that we're selling internationally. And the hits they're getting on their web is astounding to me. But to think that people are looking at rural...greater Nebraska to be able to do this, to be able to find products that they can sell. They are funded through dues from the business. They pay, I think, about \$150, which is not a lot of money, but for them it is a lot of money for some of the companies or some of the businesses. There are other businesses that contribute. There are state agencies that contribute as much as they can to help them with their funding. And that also includes the Department of Economic Development has given them some assistance. What they want to become is self-sustaining. They really want to get rid of this aspect of having someone help assist them. And they believe, and I've looked at their business plan and where they're headed, I think in five years from now they will be independent, they will be at least 90 percent or 95 percent of their costs will

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

Appropriations Committee
February 19, 2008

be handled by GROW Nebraska. What this will do is that it stimulates awareness of Nebraska based products and services. It will develop new sales and distribution channels that we don't have open today. They just don't have the ability to do that right now without some additional funds. What caught my attention is they are wanting to create an amazon.com of Nebraska businesses. They already are on eBay, and the hits they are getting on eBay is staggering, since they just opened it up. They are tying with...in with some of the community colleges in the future. They're looking at the University of Nebraska at Lincoln to give them some assistance. What I'm saying to you is I think this is an opportunity for us to really give, for not a lot of money compared to what we're used seeing and hearing in here it's a pretty small amount to be able to stimulate something that I think is a diamond in the rough that will do really well with products that we have that come from greater Nebraska. So I would be happy to answer any questions you'd like for me to answer or refer them to the folks coming. I think you'll be pleased because they are really motivated about their products and what they're doing, and how far they've come since 1998. It's just amazing to me. But they need some help, and I think it's a great opportunity to do this. So any questions? [LB1093]

SENATOR HEIDEMANN: Senator Wightman. [LB1093]

SENATOR WIGHTMAN: Senator Harms, maybe somebody better can answer the question later. [LB1093]

SENATOR HARMS: You're probably right. (Laughter) They're always better, John, you know that. [LB1093]

SENATOR WIGHTMAN: I don't aim that at you. [LB1093]

SENATOR HARMS: Okay. [LB1093]

SENATOR WIGHTMAN: But at any rate, the marketing strategies are just made available or will there be actual grants to individual entrepreneurs or businesses? Do you know how the money is channeled? [LB1093]

SENATOR HARMS: I think there will be individual grants. I think some individual grants probably will be provided. I think it would be better for them to answer that, how they want to set that up, John. But, yeah, I don't know how they will do that. But I would assume that they might have some grants and opportunities. I don't know for sure. [LB1093]

SENATOR WIGHTMAN: Thank you. [LB1093]

SENATOR HARMS: You're welcome. [LB1093]

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

Appropriations Committee
February 19, 2008

SENATOR HEIDEMANN: Senator Engel. [LB1093]

SENATOR ENGEL: I was here in 1998 when this came about. And I know it's been very well received throughout the whole state of Nebraska, especially rural Nebraska. [LB1093]

SENATOR HARMS: Yeah. I know that in South Sioux there's a number of people that are involved as entrepreneurs in this particular area. [LB1093]

SENATOR ENGEL: Yeah, right. [LB1093]

SENATOR HARMS: I guess the reason I've gotten excited about this is for the first time I see some fresh thoughts about how to stimulate economic development in greater Nebraska. And that's always been the issue and the battle. And I believe very strongly that in the future we'll have to grow our own, we'll have to give the people of Nebraska the opportunity, if they have products, and that are good products, which they are, to be able to sell them. And where they get hung up, basically, is in order to move to the next level they've got to be able to understand how to market this, what the strategies of marketing are. And we don't understand that in home business. I'm not saying that all of them are that way, but the majority of them just can't get to the next level. And this is what they do so well. I mean it's impressive to me and so I wanted to share this with you. And if anything, we're going to educate a lot of people, hopefully, today about what this is about and what some hopes are for the future. [LB1093]

SENATOR ENGEL: But I think those people that are better than you are, that are going to follow you,... (Laughter) [LB1093]

SENATOR HARMS: I think you're probably right there, big guy. [LB1093]

SENATOR ENGEL: No, I was just following up. No, no, I was just following up on it. [LB1093]

SENATOR HARMS: This is a tough crowd to play to today. (Laughter) [LB1093]

SENATOR ENGEL: I was following up on our attorney here. Anyhow, I do believe that they are counseled and so forth before they get into these, and I think they'll follow up on that. So it will be something...they've got the ideas, but they don't go into it blindly. They are...you know, given a lot of... [LB1093]

SENATOR HARMS: Yeah. In fact, Senator Engel, some of them, they'll even recommend some of them go back to the community colleges to get some very basic marketing, basic principles of accounting. [LB1093]

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

Appropriations Committee
February 19, 2008

SENATOR ENGEL: Yeah. [LB1093]

SENATOR HARMS: They have great ideas, but they're not there yet. And they'll counsel them right back where they need to go. Then they bring them back into the fold when they have that basic knowledge, then they'll probably...they'll start working with them. That's a discussion I had with them this morning. And they're moving in the right direction. So...any other questions? [LB1093]

SENATOR HEIDEMANN: Where did you come up with your dollar figures, out of curiosity? [LB1093]

SENATOR HARMS: This is what they gave us, what they needed. [LB1093]

SENATOR HEIDEMANN: Okay. [LB1093]

SENATOR HARMS: Okay? [LB1093]

SENATOR HEIDEMANN: And we...they can be justified? [LB1093]

SENATOR HARMS: Um-hum, they can. [LB1093]

SENATOR HEIDEMANN: Okay. [LB1093]

SENATOR HARMS: Okay. They can. [LB1093]

SENATOR HEIDEMANN: Thank you, Senator Harms. [LB1093]

SENATOR HARMS: You're welcome. I do want to have the right to close, maybe. [LB1093]

SENATOR HEIDEMANN: Sounds good. [LB1093]

SENATOR HARMS: Okay. [LB1093]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB1093? [LB1093]

JANELL ANDERSON EHRKE: (Exhibit 4) Good afternoon. I'm Janell, J-a-n-e-l-l Anderson, A-n-d-e-r-s-o-n Ehrke, E-h-r-k-e. Thank you, Chairman and committee members, for giving me the opportunity this afternoon. I've had the opportunity to found GROW Nebraska roughly ten years ago. And I'd like you all just for a quick moment, I know it's already been kind of a long day, but to think of some of the businesses in your districts that you know had a great idea, but for some reason they were floundering, and

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

Appropriations Committee
February 19, 2008

unfortunately maybe some of them didn't even make it. And lots of times, roughly they say 10 out of...7 out of 10 times a business will fail because of lack of marketing, people don't know about the business. And we can all have a wonderful business plan, which I'm a strong believer in, with all the whistles and bells. But if you can't make the sale, so you can put shoes on your children at the end of the day, you're not going to survive. GROW Nebraska is the only program in the state that is totally...it's total purpose is market access. We're the only market access program in the state. GROW Nebraska simply has two marching orders--promotion and awareness. For every dollar GROW Nebraska received in 2007 from competitive state grants, corporate supports and donations, we returned \$2.62. Now I'm fairly proud of that, but I have a long ways to go when you compare it to what the University Medical Center does at \$14. But anyway, it's a return on investment, and we're a new form of economic development, which I think is really important. Currently, GROW Nebraska, as Senator Harms reported, we are serving 271 business across the state, that includes product entrepreneurs, service businesses, and tourism businesses, all wanting and needing market assistance. As proposed in LB1093, what we're looking for is money to provide additional program services, not administration. Currently, the program is 46 percent self-sustaining. We're a nationally recognized program and considered one of the top programs in the United States as far as our percentage of self-sustainment at 43 percent, which makes us very unique. What we're hoping, at the end of the five years, is that we'll be at least 90 percent self-sustaining. Now how we are becoming self-sustaining is, as Senator Harms reported, members pay a membership fee, we also create additional fees for training...our training services, and we also take a percentage of sales. Really, and if we're able to achieve this in five years, we will become the national model of economic development. Simply...it's actually really simple. What we're providing are services that people are willing to pay for, that provide benefit, because they're at a lower price either because of volume or group discount. For example, some of you might have been at Oak View Mall this holiday season, or Westfield/Gateway in Lincoln, or possibly Hilltop Mall in Kearney, you would have seen a GROW Nebraska store. Now at Oak View Mall in Omaha and also Westfield/Gateway, here in Lincoln, individually our members could not afford the rents. We go in as an organization, we opened up from November 1, we closed December 24, and in those two malls, in Lincoln and Omaha, we sold over \$167,000 worth of product and over 24,000 different items. Now it's all really a simple concept, because we're able to do it collectively. And if you remember, this holiday season the weather was not really good on the weekends and we had an unfortunate accident happen in Omaha. But the products, if we make them available, people want to purchase them. As Senator Harms referred to, we're now embarking in a relationship with the University of Nebraska-Lincoln, with the UNL Extension to create an eBay store. We are piloting that. One of the things that's really important with GROW Nebraska is not only are we a market access, but we strongly believe in you have to teach these businesses how to fish. So with the UNL Extension we are going to be creating a curriculum for our eBay store which will thus drive traffic to our eBay, our e-commerce store and our individual businesses that have e-commerce. We believe it's

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

Appropriations Committee
February 19, 2008

a win-win; we'll be able to teach these businesses how to create their own eBay stores. We plan to launch the GROW Nebraska eBay store by the end of April. Now Senator Harms also referred to that the big dream is to create an amazon.com of Nebraska, a portal web site to link to all the wonders of Nebraska. Well, we decided to pilot...one of the things, because I have it...and listed in the handout you'll see I have a wonderful board that runs GROW Nebraska, Central Plains Foundation, and also a wonderful statewide advisory board. They consistently remind me I have to take small steps, so on October 15 we launched an e-commerce site, because one of the things that people kept saying to me, well, Janell, your web site is great, you know, it's wonderful, it's got all these wonderful businesses, but we can't buy on them. So we launched the Buy GROW Nebraska web site on October 15. Today we've got 100 orders. And I think you'll find this interesting, 86 percent of our orders have been from out of state: New York, California, Colorado, New Mexico, Louisiana, Massachusetts, Oklahoma, New Mexico, Texas, Illinois, Florida, and it goes on. Interestingly enough, we also asked them, are you a former resident of the state? We're thinking these guys used to live here. No, they just saw a product that they liked, which we think is quite interesting. If you take a look at the handout, on the back page there is a list, let's see, it looks like this, actually shows all of the entrepreneurs and the businesses that we work with. Twenty-nine business members in Lincoln, which includes Bert Anderson Originals, Nellie's Pet Snacks, Pur Java Coffee, and Authors of Light, just to name a few. Some of them, as Senator Harms reported, are cottage businesses from their home, but some of those are actually multimillion dollar businesses that belong to GROW because they see the value of mentoring these other businesses. In the Omaha metro area we have 20 members: David M. Mangelsen's, the craft store. Why is he a member? Well, they want to know about what products we have available in Nebraska, that's why they're a member, so they can find out about those products. Fused Glass by Peg Watkins, a fine artist, Ink Images Custom and Apparel. Interestingly enough we had the opportunity this year to partner with Millard Monasterial Middle School. Why? They're trying to fund raise money to go on a special science trip in the swamps of Florida. Well, I'm happy to report that we sold \$3,700 worth of their crafts at our store at Oak View Mall, and they were thrilled. And they also worked in our store, so it was a true win for all involved. Mostly I was happy because, you know, they were young kids and they could lift lots of things. But anyway, Herbal Gatherings in Cozad, we have R&M Enterprises, which is honey, I'm sure you've all read how important honey is now to our diets, the super food; Crazy Eddy's, which has opened a retail store downtown Lexington. They sell a specialty caramel corn; EC Beads, in Dakota City, and she's a banker that...we're trying to get her business full-time, so not only will another job arise in your district, but we'll have another full fledged business. Heirloom Treasurers, well our little friend, Sharon Walde, she was a mentor member in GROW Nebraska, and worked in our retail store. And figured out how to do it and she opened her own holiday store in Norfolk, Nebraska at their mall, which is what we want to do. Success breeds success. Heritage Falls Candle Company in Falls City. Chris Vrtiska has done phenomenal. We have IM's Countryside Painting, Giftwood of Nebraska, from Tekamah, and Nebraska Grown in Unadilla.

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

Appropriations Committee
February 19, 2008

There's businesses all over. And we're just scratching the surface and I know we can do a lot more. Well, I just wanted to give you some overview today. And I will entertain any questions you might have, because I could talk a long time. [LB1093]

SENATOR HEIDEMANN: Are there any questions? I will say that once you brought this up I hadn't really read your bill very much, and I apologize for that. But you start talking about GROW Nebraska and I have a neighbor, actually, that participates, just right across the street, right across the highway from me. And you talked about when...she makes wreaths, Christmastime, Lois Beethe. [LB1093]

JANELL ANDERSON EHRKE: Oh, yes. [LB1093]

SENATOR HEIDEMANN: And she just lives right across the road from me. And you can't believe the neighbors that don't show up when this is happening. They go out and they cut their evergreen trees, and it takes a crew of them to do this. And actually Chris Vrtiska is a good friend, daughter...daughter-in-law of Senator Floyd Vrtiska actually. [LB1093]

JANELL ANDERSON EHRKE: Um-hum. [LB1093]

SENATOR HEIDEMANN: So this is a little closer than what I had anticipated. Senator Wightman. [LB1093]

SENATOR WIGHTMAN: Thank you for being here and testifying. I asked Senator Harms, and he suggested perhaps somebody else could answer the question. Are there grants or anything made directly to individual entrepreneurs or do you just provide group services for them or exactly how do you channel your funds? [LB1093]

JANELL ANDERSON EHRKE: That's an excellent question, Senator. Right now we generally just do group training. Like we bring them in our Kearney store. We work with them individually on their packaging and marketing, because a big part of it is, like Senator Harms reported, if their product isn't there yet, we either send them back to community college or we work them one-on-one to get sales. We have a lot of our members that give extra dues, and we put that into a scholarship fund. And so for those members that are just in the startup phase and having a difficult time, we scholarship them. My hope is, and I don't have a complete answer for you yet, because you know we're just still developing this program. And I'm hoping that my advisory committee will assist us. But I hope in the future, as we're getting on the radar screen with a number of national foundations, we will be able to offer money back in the form of grants, because that's a true win, when we can give them money to build their own web site. You know, I don't believe in a total free lunch, but the more we can do to kind of stimulate, the better I think. [LB1093]

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

Appropriations Committee
February 19, 2008

SENATOR WIGHTMAN: It's more development strategy for them than training in that regard. Is that correct? [LB1093]

JANELL ANDERSON EHRKE: Right. [LB1093]

SENATOR WIGHTMAN: I see four communities in our county are recipients or there are four communities that have people involved. So... [LB1093]

SENATOR HEIDEMANN: Any other questions? Senator Nantkes. [LB1093]

SENATOR NANTKES: Janell, thanks for coming down here. Obviously, you have a lot of enthusiasm for these projects. Sounds like they fared well under your leadership. It's been a really good opportunity for me to learn more about this program, which I didn't know a lot about before. And I guess, if we are interested in learning more, would there be samples available from any of these delicious entities? (Laugh) [LB1093]

JANELL ANDERSON EHRKE: Oh, most of them. [LB1093]

SENATOR NANTKES: No, I'm teasing. In all seriousness, though, thank you, thank you very much. And just looking over the pamphlets, I mean, there's some really neat things that are going on here in our state... [LB1093]

JANELL ANDERSON EHRKE: Um-hum, um-hum. [LB1093]

SENATOR NANTKES: ...that I'm glad you and Senator Harms have provided some more attention to. [LB1093]

SENATOR HEIDEMANN: Senator Wightman. [LB1093]

SENATOR WIGHTMAN: Do you work with local economic development groups, like Dawson Area Development, in Dawson County or do you work totally separate from that? [LB1093]

JANELL ANDERSON EHRKE: No, great question. We strongly believe in collaboration. A number of economic development groups join GROW Nebraska at a very small rate. It's \$60, and then we promote their activities within. One of the things we've been fortunate is GROW Nebraska, what we refer to...we kind of got the cats corralled, you know, and so we're partnering with economic development groups, the Nebraska Winery, Grape Growers Association, they get a discount if they're a member of the Nebraska Wine Growers, they get a discount to our membership, the Nebraska B&B's, I mean we strongly believe the businesses have such a higher percentage chance of succeeding if they are working with their local people as well as part of their industry association. You know the whole goal of GROW, when I started ten years ago I always

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

Appropriations Committee
February 19, 2008

asked myself every day, is how many additional Cabela's can we grow in our state? I think we can grow hundreds of them. They started at a kitchen table. [LB1093]

SENATOR WIGHTMAN: Thank you. [LB1093]

SENATOR FULTON: You can't call them Cabela's, though. (Laughter) [LB1093]

JANELL ANDERSON EHRKE: I'm sorry, you're right, Senator. [LB1093]

SENATOR HEIDEMANN: I will say my neighbors actually have talked to me about GROW Nebraska in a very favorable way. They are very impressed and they're glad they're associated with...thank you. [LB1093]

JANELL ANDERSON EHRKE: We sell out her little chenille pumpkins that are just awesome. So thank you all for giving me the opportunity.. [LB1093]

SENATOR HEIDEMANN: Thank you for testifying today. Is anyone else wishing to testify in favor of LB1093? [LB1093]

GARY PETERSON: My name is Gary Peterson, G-a-r-y P-e-t-e-r-s-o-n. Once again, I'm in the unique position of being here without really having any significant reason for my participation, other than a God-given passion to be a social entrepreneur. I am on the advisory committee for GROW Nebraska. And I am a self-taught rural entrepreneurial expert. I used to teach school out in the little Sandhills community of Thedford, Nebraska. Did that for ten years. Went back to school. Got a law degree while trying to raise my two children in Thedford, Nebraska. Got through two and a half years, because I couldn't stand to be away any longer than that. Went back to Thedford and lived there for another seven years before moving to Broken Bow. I've been partner in a law firm in Broken Bow for the last eight years. And the only reason any of that matters is because my expertise in rural economic development is based on the most emotional string anyone can have, and that's my family. I didn't intend to get all emotional, but it's...the root of what Nebraska has for a future is doing something that works to save our rural communities. And I've spent the last seven years studying what works. I don't waste my time on what doesn't, and I will do anything I can to promote what does. GROW Nebraska works. I'm a trained next level instructor, which is a business plan writing course that's the top course in the United States for teaching small entrepreneurs how to write business plans. I went out and get the training and taught that course and learned about GROW Nebraska. I've been through the E2 training that was here with Don Maake and I've served on advisory committees, because if we don't do something to change the numbers of decline in rural Nebraska then Nebraska is not going to exist. GROW Nebraska does exactly that, it puts money in the pockets of the mom and pop's out there that are trying to do everything they can to stay in their communities and raise their families. Now focusing on why GROW and why fund GROW? GROW is in a real

Appropriations Committee
February 19, 2008

unique position. They have worked so diligently to build such a successful model that will help entrepreneurs succeed with such little financial input, and that's where many of these businesses are, they cannot afford financially the input. They can go to the bank and the bank says, you know what, if you were up and running that would be great, we'd loan you some money. The best they can do is invest their hard earned time, their effort and a small fee to grow to get them started. And then GROW fills the gap, it is able to provide them with the knowledge and the exposure that they need to market their products in month 2, and 3, and 4, so that 12 months later they look at the calendar and say, you know what, we made \$4,000 on that product. And that \$4,000 is going to allow us to keep paying our mortgage and stay here in this small community or to expand our business now and put in the things it takes to get us on down the road to the next level. So many of these businesses have started in that situation and have gotten to the point where they open a whole other facility. They employ 15, 20 neighbors and friends at different times through the season, and they provide an economic impact to those individuals. What we're talking about today is asking for additional funding so we can grow capacity, so that we can make what we're doing for 271 people in the state of Nebraska 1,000. We want to help 1,000 families. And GROW will get there, we'll get there with or without this funding. The question is we're going to lose...how many families are we going to lose because we don't get the funding now, because we have to grow our capacity at a slower rate. You can't find an organization out there, folks, I've been involved in it, I've been doing it on a daily basis. I've done everything I can to help these rural communities. You cannot find another organization out there that will have the impact with the least amount of dollars that's already ready to grow than GROW Nebraska. It doesn't exist. I've fought the fight. You know, there are few programs out there that are ready to go, and this is one of them. And that's why I back it. And that's why I give them my time, that's why I drive down, that's why I close up shop, because if we don't do something now, my grandkids won't have a town to grow up in. The school will be closed. I lost the fight in Thedford. I wanted to stay there and raise my family and I couldn't do it because I couldn't survive economically. Because in the five years that it took me to go from starting law school to being back in that community, the population in that public school dropped from 66 to 30. I don't want to lose Broken Bow. If we don't turn the numbers around now, you know what, a 90-year trend, if we don't turn the numbers around now who will? What's next? This program works. And the greatest thing about this program is it's nondiscriminatory. As Janell indicated, we have over 20 members in Omaha, they are benefiting. It's helping Omaha grow economically. The members in Lincoln are helping Lincoln grow economically. Everything from Eli Farms and the college student that grows pickled asparagus to Annie Kimes Jams and Jellies, out of Valentine, to...it just goes on and on. And those people employ people that are able to stay and work in their communities. You know, the one thing that I have really come to know and recognize about GROW is the same thing that has happened today. Every time we come in front of someone to discuss GROW itself, not to discuss our entrepreneurs, because that's what we do 99 percent of the time out of 100, we discuss our entrepreneurs, because we want to help them. But every time we come to discuss

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

Appropriations Committee
February 19, 2008

GROW, there's a look of amazement and there's the comment, boy, I didn't even know GROW was out there; I didn't even know we had this kind of thing in Nebraska. Well, the one thing we've probably done a really poor job of is marketing ourselves. We market everything else so well. Janell has done a fantastic job. I know that there are so many important economic business decisions that the Appropriations Committee has to deal with on a regular basis, and I know that I'm just a guy, you know, from the Sandhills. But there is not another organization out there that can have the economic impact in the next 6 months, for 99 percent of the families out there--this program can do it. You can have more bang for your buck now with this program than anything else that's out there. I'll take any questions. Yes. [LB1093]

SENATOR HEIDEMANN: Senator Kruse. [LB1093]

SENATOR KRUSE: We don't get people from Custer County here very often, so thank you for coming. [LB1093]

GARY PETERSON: You're welcome. [LB1093]

SENATOR KRUSE: One hundred and eighty-two miles from here to my door in Broken Bow, where I lived. Do you still have somebody making sheep's milk soap? [LB1093]

GARY PETERSON: Janell I think... [LB1093]

JANELL ANDERSON EHRKE: The business sold...the original owner, but yes, it's still in Broken Bow. We have a new... [LB1093]

SENATOR KRUSE: You have it...you don't... [LB1093]

JANELL ANDERSON EHRKE: They sold the business, they got a divorce, original owners. But yes, now it's (inaudible). [LB1093]

SENATOR KRUSE: This is just a purely a personal or practical question. Where does a person buy it in Lincoln or Omaha? [LB1093]

JANELL ANDERSON EHRKE: On buygrownebraska.com site. (Laughter) [LB1093]

GARY PETERSON: You can get it on the web, absolutely. [LB1093]

SENATOR KRUSE: Okay, I gave you your pitch. Thank you. [LB1093]

GARY PETERSON: And...yeah, this...as Janell said, the couple got a divorce and sold the business and now new entrepreneurs are running that business. [LB1093]

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

Appropriations Committee
February 19, 2008

SENATOR KRUSE: Okay. Well, that was a going thing. [LB1093]

SENATOR HEIDEMANN: Senator Wightman. [LB1093]

SENATOR WIGHTMAN: Thank you, Gary, for being here. [LB1093]

GARY PETERSON: You're welcome. [LB1093]

SENATOR WIGHTMAN: You have a passion like we seldom hear. And you give very compelling testimony, I think. It is tough to watch your small town die. And so many communities in Nebraska are doing that at the present time that we do need to look at this, there's no question, I think. [LB1093]

GARY PETERSON: I think there's a lot of small communities out there that aren't going to die, they're going to diversify and they're going to succeed. You know, one of the things we did in Thedford before I had to...economic...you know with \$3 gas, I commuted back and forth to Broken Bow, 70 miles one way. I couldn't do it on \$3 gas. So I had to move to Broken Bow because that's where the population was to run my business. But before I did that, we started a community foundation. They've raised over \$110,000 for their endowment. They're doing everything they can to stimulate their economy. They have GROW businesses there. There are a lot of these communities that are going to survive in some way, shape, or form, because that's who we are. But the state government could really help in the short-term on a real grassroots level if we could get, instead of 271 members, 1,000. And we can't do that without capacity. And capacity takes time, unless there's an infusion of cash. And the infusion of cash that we're asking for is fairly minimal, in my opinion, in the big picture, but the impact on Stapleton, Nebraska might be three families get to stay. Now three families might not seem much, but if that's three families with two kids each, that might be a tenth, one-tenth of their elementary enrollment. That's where it comes from. [LB1093]

SENATOR WIGHTMAN: Thank you. [LB1093]

GARY PETERSON: Thank you. [LB1093]

SENATOR HEIDEMANN: Senator Engel. [LB1093]

SENATOR ENGEL: Oh, I just...a comment. I think it's been a very successful program from the beginning. And the only thing I have a question on sheep's milk soap, will it grow hair? (Laughter) [LB1093]

GARY PETERSON: I haven't used it, but I don't think so. [LB1093]

SENATOR ENGEL: Okay, thank you. [LB1093]

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

Appropriations Committee
February 19, 2008

GARY PETERSON: The lanolin is wonderful, they tell me, in it. [LB1093]

SENATOR KRUSE: I'll get you some, Senator. [LB1093]

GARY PETERSON: The products are just...the products are fabulous. I can talk about rural economic development and these entrepreneurs for 900 years, and you guys would get tired of it, and I understand that. The short summary is this, these people manufacture these products and then they go to the local craft fairs to sell them. And rural Nebraskans are notorious for being independent. And the first thing that happens is the first 45 people that come by, 5 of them buy the product and the other 40 look it over carefully and say, that is a great idea, I'm going to go home and make one of those. And it discourages the entrepreneurs. And when that's their marketing they decide, my idea must not be as good as I thought, as unique as I thought, because everybody else can do it. What they don't recognize is if you get out of this region those products are amazing. You know, people in California aren't going to walk by that same craft table and say, I'm going to go home and make that, and they don't...they just don't...they're so humble. They don't have the understanding that they are unbelievably talented, and they have the unique ability to take those talents and make money. But they've got, but they've got to get linked to the buyers, that's what GROW does. [LB1093]

SENATOR HEIDEMANN: Do you work with REAP, with the Rural Enterprise systems project? [LB1093]

GARY PETERSON: Does GROW? [LB1093]

SENATOR HEIDEMANN: Yes. [LB1093]

GARY PETERSON: GROW collaborates with REAP, yes, on a fairly grassroots level. They will help get loans for REAP businesses. I've taught classes for REAP as a side, just...they do a scaled-down version of the business plan writing course. So, yeah. [LB1093]

SENATOR HEIDEMANN: Okay. I noticed they was listed a couple times here. I'm a little bit aware of the REAP program. So I just thought I'd comment. [LB1093]

GARY PETERSON: Yeah. I don't think there's any state economic engine out there that doesn't know that GROW exists and how we do things. You know we're not trying to step on anybody's feet, you know, toes. We don't want to create problems with the university by saying, well, we're taking over their marketing training. No. Nobody has the time and the resources to go to the guy that has only \$150 for his whole marketing plan for a year and teach him to get through that first 9 months so he actually can make it,

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

Appropriations Committee
February 19, 2008

because he's still doing his day job, or she's still doing her day job. They're just trying to survive. [LB1093]

SENATOR HEIDEMANN: Any other questions or comments? Thank you for coming in. [LB1093]

GARY PETERSON: Thank you. [LB1093]

JOHN HANSON: Good afternoon, senators. My name is John Hanson, J-o-h-n H-a-n-s-o-n, and I'm here in support of this proposal. By way of background, I served as Congressman Tom Osborne's district director during Tom's tenure in office. I'm now the president of Ag Development, Incorporated. We're headquartered in Kearney, Nebraska, and we help ideas related to value-added agriculture become businesses. We have several projects underway. I'm also here as a board member of the Central Plains Foundation, which oversees GROW Nebraska. And I think I will make my remarks very, very short because what's said and the passion that's been expressed kind of tells it all. But I want to go back to my years with Congressman Osborne. As district director, and I see a lot of familiar faces, because during that time I met a lot of you. But during my time with Congressman Osborne, I went to every town in the Third District. That was one of the things Tom told me to do. I've been on every paved road in the Third District of Nebraska. And I spoke in 224 high schools in 2004, and the thing that we talked about was entrepreneurship and the need and trying to plan the seed and the idea that you can be successful and stay in rural Nebraska, whether that's the Third District or the Second District or even the First District, you can make your own opportunities happen. And during that time and during my years in public service I worked with every federal program, every state program, every one of them. And there's only one that I've taken the time out of my own business to sit on their board, and that's GROW. As the previous testimony said, this is it. You know, REAP is a great program. There's a lot of good programs out there, but there's only one program that I've seen that takes those ideas, that takes that philosophy and turns it into real businesses. And as you can see, and as I've sat and listened to your discussion, over and over it's GROW Nebraska that's behind those successes. And no disparage to any of the other programs that are out there, but this is the one that really is getting things done. Thank you. If you have any questions, I'd be glad to answer them. [LB1093]

SENATOR HEIDEMANN: Thanks, John. Seeing no questions, thank you for testifying today. [LB1093]

JOHN HANSON: Thank you. [LB1093]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB1093? Is there anyone wishing to testify in opposition of LB1093? Is there anyone wishing to testify in the neutral position on LB1093? Seeing none, would Senator Harms like to

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

Appropriations Committee
February 19, 2008

close? [LB1093]

SENATOR HARMS: Well, thank you very much as committee members. You know, I would have never brought this forward if I didn't think it was a difference-maker, it is. And I think it will make a difference. And when you see the enthusiasm that they have, you can see why it's being...why it's so successful. And as they pointed out, it's just at that very point where they can really move forward to stimulate the economy in places that we've been unable to do that. I would really urge you to give serious consideration to the recommendation. And I know that you'll want a breakdown financially. We'll give that to you, exactly how those dollars would be spent so that you'll feel comfortable with that aspect. They're not asking for a lot of dollars and a very short...in what we normally work with, but I just think it truly is a difference-maker. I hope that you'll give that serious consideration. And I hope you've learned some things that I learned last year. I just was amazed by what we're doing. It's just a good opportunity for us. So thank you very much. [LB1093]

SENATOR HEIDEMANN: Thank you. With that, we're going to close the public hearing on LB1093, and we're done for the day. (See also Exhibit 5) [LB1093]

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

Appropriations Committee
February 19, 2008

Disposition of Bills:

LB1093 - Held in committee.

LB1156 - Held in committee.

Chairperson

Committee Clerk