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Appropriations Committee
February 14, 2011

[LB120 LB213 LB496 LB497]

The Committee on Appropriations met at 1:30 p.m. on Monday, February 14, 2011, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB213, LB120, LB496, and LB497. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Danielle Conrad; Tony Fulton; Tom Hansen; Heath Mello; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: (Recorder malfunction)...the Appropriations Committee. We'll just do self-introductions here real quick to get started, starting down there with Senator Nordquist.

SENATOR NORDQUIST: Yeah. Jeremy Nordquist, District 7, downtown and south Omaha.

SENATOR HANSEN: I'm Tom Hansen, District 42, the "French Riviera" of the Sandhills, North Platte.

SENATOR HEIDEMANN: Sitting next to his left is Senator Danielle Conrad from District 46 here in Lincoln, Nebraska.

SENATOR WIGHTMAN: John Wightman, District 36, most of Buffalo and Dawson County.

SENATOR HEIDEMANN: I am Senator Lavon Heidemann, District 1, Elk Creek, Nebraska, mostly southeast Nebraska. Sitting next to me on my right is Anne Fargen. She's the committee clerk. And at the present time we have Jeanne Glenn, she's a fiscal analyst; and then to her left is...

SENATOR HARMS: John Harms, 48th Legislative District, Scottsbluff, Nebraska.

SENATOR NELSON: John Nelson, District 6, central Omaha.

SENATOR FULTON: Tony Fulton, District 29, southeast, south-central Lincoln.

SENATOR HEIDEMANN: And last but not least, joining us later, he's got a couple bills up today, is Senator Heath Mello from Omaha, District 5. Also, our page for the day's name is Christina. If you need anything, she's always willing to help you out. At this time, we would like to remind you if you have cell phones, please shut them off as not to disrupt us later on. Testifier sheets are on the table or near the back doors. You need to fill them out completely and put them on a box on the table when you testify. At the beginning of the testimony, please state and spell your name for the transcribers

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following. It makes it a lot easier for them. Nontestifier sheets near the back doors if you do not want to testify but would like to record your support or opposition, you only need to fill this out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of your testimony. We need 12 copies. This year, we don't normally do this--we did this in the 2009 Special Session, we limited time a little bit--we will be using the light system. You can see it before you. In an effort to be fair, that everybody would be able to testify on the budget bills this year, we will be using the light system. The principal introducer and the principal agency representative will not have a time limit. We do encourage you to keep your testimony, though, concise and on topic. All testifiers that are following them will be given four minutes. We're going to see how that goes. If you have something very important going on, you think you need a few more...a little bit more time, we'd probably be willing to do that. If it gets to be too long, we might have to cut it down to three minutes. On the light system sitting on the testifier table you will notice a green light when you start your testimony. When you have one minute left the yellow light will turn on. When the red light turns on we ask you to please kind of just finish it up. Following the principal introducer on bill hearings, we will take testimony first from proponents, then opponents, and then the neutral testimony. For agency budget hearings, which we don't have today, we will take general comments on the agency budget proposal following the principal agency's representative. With that, we are going to start with the first bill today which would be LB213, Senator Dave Pankonin from Louisville. Welcome.

SENATOR PANKONIN: Thank you, Senator Heidemann. Good afternoon, everyone. I am Dave, D-a-v-e, Pankonin, P-a-n-k-o-n-i-n, and I represent the 2nd Legislative District. I'm here to introduce LB213 on behalf of Nebraska...Heritage Nebraska Main Street. We are confident that you will see the importance of including funding for this program in your budget recommendations. These are trying economic times for the country in general, and we all know that Nebraska has had its share of problems as well. Through it all, the Main Street Program remains a bright light in this economy. In the past year there have been 111 net new jobs and 29 net new businesses created on Nebraska's main streets. The state's investment, through funds allocated to the Main Street Program, is only \$839 per job. These jobs represent taxpaying citizens who are keeping the money circulating in their own communities and that builds a more vibrant economy for all of us. LB213 is in keeping with the longstanding commitment of the Legislature to provide \$100,000 a year for each of the next two years of the biennium for this very important program. Main Street is 80 percent about job creation and business retention and expansion, and 20 percent about historic preservation. A recent Rutgers University study revealed that historic preservation brings almost \$170 million a year to the Nebraska economy. Nebraska's main streets account for \$4 million of that amount. In addition, for every \$1 spent to operate a local Nebraska Main Street Program, \$16.42 is reinvested in the community. Today you will hear from supporters of Heritage Nebraska Main Street about the tremendous impact of the program over nearly 17 years and exciting new things that are planned as the program reaches out to even

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more Nebraska communities to revitalize downtowns and celebrate historic neighborhoods, rural barns, schools and churches. In the years that state matching funds have gone to the program, Main Street has leveraged \$2 million in matching funds from the private sector. That tradition continues and the program has the necessary funds to match this legislative investment dollar for dollar. Several people will testify after myself and I will stay for the closing. Thank you. [LB213]

SENATOR HEIDEMANN: Thank you, Senator Pankonin. Are there any questions? Seeing none, is anyone else wishing to testify in support of LB213? [LB213]

ERVIN PORTIS: (Exhibit 1) I do and I'm going to just pass an article around. Here we go. Here she is. Mr. Chairman, good afternoon. I'm Ervin, E-r-v-i-n, Portis, P-o-r-t-i-s, the city administrator of Plattsmouth. I have with me also, behind me here, Mayor Paul Lambert. We're here representing the city of Plattsmouth and proponents of LB213, and thank Senator Pankonin for introducing this bill. Main Street is very, very important to the city of Plattsmouth. Main Street, I'll put some quotes around or quotation marks around this statement: "Main Street is all about planting flowers." That's not necessarily an exact quote but it's a close paraphrasing of comments that some have heard come from the Nebraska Department of Economic Development. I would like to take a few minutes and illustrate in contrast that it's more than planting flowers and that Main Street has a valuable economic development purpose. In doing so, I want to paraphrase a statement that DED Director Baier made in a recent Plattsmouth presentation: Any community, any community that wishes to be competitive in retaining and attracting quality jobs must look within. The community must ask, how does my community look to others? The community must have curb appeal, they must. While main street might not be the big and new industrial site that the Battelle study says Nebraska must have, main street represents the core. It's the center. It's the economic engine of our communities. It's where we create jobs essential to a vibrant community. It's where we find small town hotels, culturally rich theaters. It's where we conduct community events, activities, parades, social events, celebrations. It's where we feel comfortable. Main street is where we engage in local commerce. It's where we die. It's where most of you get haircuts. I don't. It's where we buy our jewelry and our flowers. It's where we see that unique community market. Each community is unique. It's the community living room. Main street is the root of any community; highway, commercial, industrial developments, they're the vines. Both the root and the vine are necessary if we want to enjoy the fruit and in difficult economic times it's imperative we have both if we want to enjoy that fruit. When the root dies, the vine will wither. Any community with a dead or dying main street, and you've all seen them, is a dying community. In Plattsmouth--I've given you an illustration of what we're doing--we're working hard to keep the retail dollars leaking out of our own community so that we can...our residents won't spend them in Omaha, which we all know they're doing. It's imperative that we recognize main street as our greatest economic asset and that we build on the rich architectural heritage of that main street community or so that our community will thrive. Absent a thriving community, we

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cannot make...we cannot afford to make the investments necessary to recruit and retain primary, industrial jobs. Department of Economic Development has its Certified Ready for Economic Development Program. Plattsmouth is 1 of those 33 communities across the state. Main Street was an incredible and very, very important partner in helping us prepare our application and certify to the Department of Economic Development we're ready for economic development. We're using that program to solicit and receive Department of Economic Development funding for a downtown revitalization program that would be done consistent with our facade guidelines. Preservation is jobs. Senator Pankonin referenced the \$17 to \$1 return. For every \$1 of public investment made, there's \$16.89 or something like that returned in new jobs and job creation. Main Street is successful. An attractive, vibrant and restored main street is critical to retaining existing businesses and recruiting new industry to our prepared site that we're developing in Plattsmouth. Development along Highway 75 will do us no good, no good at all if we allow main street to wither. While we're locally very proud of our effort and our progress, everything we've done has been done in partnership with a wide array of federal and state partners, most all of whom are referenced in that article. It's virtually impossible to make local improvements without seeking technical assistance and learning from the experiences of others. To that end, we often seek advice, insight, input and assistance from those state partners, state and federal partners, including Heritage Nebraska Main Street. All those entities are extremely good partners in our planning and our effort to move forward, but, frankly, we would not be making the progress we are without our Main Street partners at the state level and at the local level. They're community activists, they're community advocates. Main Street educated and informed our community about the benefits of increasing local sales taxes so that we could make the huge investment that you see in that article in main street, Plattsmouth. Main Street is a grass-roots, community-based organization focused solely on the economic development of Plattsmouth. That grass-roots, community-based effort is dependent on Heritage Nebraska Main Street for support. To that end, Plattsmouth encourages continued financial support of Heritage Nebraska Main Street as a vital element of Nebraska's economic development. Thank you, Mr. Chairman, committee members. Are there any questions? [LB213]

SENATOR HEIDEMANN: Senator Wightman. [LB213]

SENATOR WIGHTMAN: Yeah, thank you for being here, Mr. Portis, and I'm familiar with the program. Lexington has used it a number of times as well or a few times as well. Can you tell me a little bit about the sources of the match funding? I know we talk about it being from private sources but some of it is from the city budget as well, isn't it? [LB213]

ERVIN PORTIS: The city of Plattsmouth contributed \$20,000 plus, \$20,000 towards our local main street plus we provide, in city hall, office space. So we're significantly invested in Main Street Plattsmouth, Main Street Nebraska. [LB213]

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SENATOR WIGHTMAN: So are there private sources as well that... [LB213]

ERVIN PORTIS: Yes, there are. [LB213]

SENATOR WIGHTMAN: ...make this match? And some of them are community foundations, I assume? [LB213]

ERVIN PORTIS: Much of the local main street budget comes from the local community. [LB213]

SENATOR WIGHTMAN: Thank you. [LB213]

SENATOR HEIDEMANN: Senator Harms. [LB213]

SENATOR HARMS: Thank you, first of all, for coming and testifying. Can you tell me, from the Main Street dollars that you have received, how much has your community grown based on that? And secondly, what kind of companies and businesses have you brought in because of Main Street? [LB213]

ERVIN PORTIS: Our Main Street Plattsmouth has very few vacancies in its commercial area, in the main street area. Absent our Main Street folks to help us in that recruitment and retention and marketing of the main street community, frankly, I think we would see many more vacancies than we presently have. [LB213]

SENATOR HARMS: Has your community grown any at all from this or... [LB213]

ERVIN PORTIS: Plattsmouth has grown about 3 percent a year over the last 10 to 15 years. Can you attribute growth directly to Main Street? I'm not sure I could answer that question. [LB213]

SENATOR HARMS: Okay. Well, thank you. [LB213]

ERVIN PORTIS: Thank you. [LB213]

SENATOR HEIDEMANN: Are you familiar with like the REAP Program, microenterprise, GROW Nebraska? [LB213]

ERVIN PORTIS: Yes, and we partner with those entities, yeah, in our economic and community development efforts. [LB213]

SENATOR HEIDEMANN: As we face revenue shortfalls up here and we're trying to look for priorities, could you place a priority status on Main Street, REAP, microenterprise,

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GROW Nebraska? [LB213]

ERVIN PORTIS: I would certainly place a priority on Main Street. [LB213]

SENATOR HEIDEMANN: Thank you. [LB213]

ERVIN PORTIS: Thank you. [LB213]

SENATOR HEIDEMANN: Senator Hansen. [LB213]

SENATOR HANSEN: Thank you for being here today. When was Plattsmouth started? [LB213]

ERVIN PORTIS: When was Plattsmouth started? [LB213]

SENATOR HANSEN: Uh-huh. [LB213]

ERVIN PORTIS: Eighteen fifty-four, I believe. [LB213]

SENATOR HANSEN: I mean it's (inaudible). Fifty-four, eighteen fifty-four? [LB213]

ERVIN PORTIS: 1854. [LB213]

SENATOR HANSEN: Okay. You referenced Highway 75. Is there something in the works there on...I know there's been Highway 75...redo it. Is it supposed to be one of the bypasses? Is it scheduled to be a bypass? Not a bypass, I'm sorry, an expressway... [LB213]

ERVIN PORTIS: Yeah, an expressway. [LB213]

SENATOR HANSEN: ...that I call bypasses. [LB213]

ERVIN PORTIS: It is one of the unfinished expressway projects. It's a source of frustration, understanding, you know, the dilemma you folks face in where does the money come from. But clearly, we believe that additional commercial and industrial activity could happen along Highway 75. However, that's the number one reason why we should prioritize Main Street. Again, back to a dead and dying community, if you don't take care of your main street, when you have the expressway or the bypass you have no reason for people to get off that main street...or off that bypass into the main street community. So that's exactly why we're doing what we are now with this \$5 million investment in Main Street. [LB213]

SENATOR HANSEN: Okay. Thank you. [LB213]

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SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB213]

ERVIN PORTIS: Thank you. [LB213]

SENATOR HEIDEMANN: Welcome. [LB213]

BOBBI PETTIT: (Exhibits 2 and 3) I'm Bobbi Pettit, B-o-b-b-i P-e-t-t-i-t. I'm here as a proponent for LB213. I have a written copy, a written summary of my testimony as well as 36 letters of support from organizations, individuals, and businesses, as well as an informational piece on all the Main Street communities. [LB213]

SENATOR HEIDEMANN: Do you need something passed out? [LB213]

BOBBI PETTIT: Yes. [LB213]

SENATOR HEIDEMANN: Okay. [LB213]

BOBBI PETTIT: Pass it out, yeah, that's what I meant. First of all, thank you for having me today, for giving me a few minutes of your time that I know is very valuable. I come from the Main Street Kearney Program, where I was a newly hired executive director seven months ago. Our Main Street Program doesn't employ over 100 people under the same roof; however, we serve over 180 small businesses in our downtown district. In just those seven months, we've raised over \$7,000 which we have dedicated to increasing the foot traffic in our downtown that many of our retailers have provided testimony as to how they believe that has happened. We organized a cross-marketing "Shop Downtown Kearney" campaign over the holiday season that not only benefited our downtown retailers but also our Museum of Nebraska Art which is located in downtown Kearney. We also, by doing an effort like that, getting everybody in downtown Kearney unified and organized, we were able to help some of our small business owners buy radio time and TV time that they wouldn't have been able to afford on their own had they not become part of the unity that we established through the help and the guidance of the Main Street Program. We also created a Web site which features a map of historic downtown Kearney and became a business directory for all our businesses located in the downtown. Again, many of our businesses are new retailers and small businesses and they wouldn't have been able to afford Web presence without Main Street Kearney's support. We have become a liaison between the city of Kearney and downtown merchants. We currently have a facade grant program that the city of Kearney grants to business owners in downtown Kearney. Every year there's \$40,000 that businesses can apply for to improve the facade of their building if they follow certain historic guidelines. Main Street Kearney serves as a liaison to get the most out of those dollars. Without the technical assistance that we get from Heritage Nebraska in the form of consultants, we wouldn't be able to afford to do that and our businesses wouldn't be

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able to afford to make those improvements. We've also put a mentoring program into practice. That's newly started. But we've got business owners in downtown Kearney that have been in business for over 40 years. We also have business owners that are opening a business for the first time that just opened their doors as early as last week. Last week we hosted something downtown where we put those new business owners in touch with those people that have been in business for several years in downtown Kearney. That mentoring program would not have been possible without the organization and leadership of the Main Street Program. We have also established a membership drive and our goal is to ultimately be, as most as possible, self-sustainable and independent with our own funding, but it's too early for that now. Main Street Program is Nebraska's best model of small business mentorship. Without the Main Street Program to foster those mentoring relationships I talked about, many of our new business owners experience isolation, which leads them to close their doors prematurely. Many of these doors could have stayed open with the help of the Main Street organization. The Main Street Program also puts us in touch with small businesses in downtowns across the nation at no charge. So, because of my access to the Main Street Program, when I hear of a problem going on in downtown Kearney, all I have to do is send out an e-mail or make a phone call and I'm usually overwhelmed with support and information to deal with whatever small business or design issue that we have in downtown Kearney. We are also a guardian of the historic built environment that we all take pride in. Our design committee is stocked with former code enforcement officials, property owners, historic preservation enthusiasts, and design professionals. This diverse set of talent now has a structure to unite under and a road map that will help them determine the most appropriate design goals. We have numerous downtown properties right now, second story properties that sit vacant due to code issues, so we've made a goal of ours to, number one, work with the city of Kearney to get through those code issues and rewrite the code, develop a new code or adopt a new code if necessary. We're also working on figuring out how to turn each property...what kinds of financing or support or infrastructure improvement grants or small business financing programs do we need to come up with in order to transform that vacant second story into another revenue-producing property, mainly in the form of elevators, sprinkler systems, and running water, believe it or not. If we lose this technical assistance that we have right now that we get through Heritage Nebraska, we're going to lose a lot of groundwork, a lot of progress and a lot of momentum that we do have because all I have to do is make a phone call to the Heritage Nebraska Program in Lincoln or to somebody across the country to figure out how to get through a code issue. That has happened numerous times. I want to remind you that I know that economic development is always a priority and Main Street Kearney is grass-roots economic development at its finest. From Omaha to Wayne to Alliance to Sidney to Kearney, main street is where we all come home to. It's the parades that we come home to. It's where we want to bring our families after we've gone into the world and done great things. And the Main Street Program makes sure that there is a home to come back to. So thank you for your time. Can I answer any questions? [LB213]

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SENATOR HEIDEMANN: Thank you for coming in today. Thank you for delivering all the letters of support. I've been to Kearney quite a few times. What's going to draw me from the interstate even after you do all these wonderful things? Is there a program to actually get me there? [LB213]

BOBBI PETTIT: To get you to downtown Kearney? [LB213]

SENATOR HEIDEMANN: Yeah. [LB213]

BOBBI PETTIT: Well, we have a great partnership right now with the visitors bureau which does an excellent job of pulling people off of the interstate and into our hotels, and we have developed a downtown Kearney map with a business directory, and then we're in the process of working on that brochure which the visitors bureau is helping us to develop and then plans on distributing to all the conferences and conventions and across the state. We've also just developed a two-minute commercial about downtown Kearney that all our merchants and retailers can take pride in, and we've been taking the next steps now to get that video distributed as widely as possible. So we also have a great relationship with our city manager, Mr. Mike Morgan, and the city of Kearney who is doing an excellent job of developing the gateway that pulls you off the interstate into Kearney, and we plan on turning that into an entire way finding all the way down into downtown Kearney, because it's a couple of miles to make it into downtown Kearney from the interstate. [LB213]

SENATOR HEIDEMANN: I've been there many times. I've never been to main street, Kearney. I hate to say that. [LB213]

BOBBI PETTIT: Well, that's why we're here. That's what we're working on. [LB213]

SENATOR HEIDEMANN: Senator Hansen, then Senator Wightman. [LB213]

SENATOR HANSEN: Thank you. Thank you for coming. When is the Kearney Cruise Nite? [LB213]

BOBBI PETTIT: It is the second weekend in July, I believe July 16th I'd like to say. [LB213]

SENATOR HANSEN: That's a great event downtown. [LB213]

BOBBI PETTIT: And we have a great relationship with Cruise Nite. We are going to add a main street fund-raiser on Sunday, a road race, but it will actually be a foot race. And we have several banks in downtown Kearney that are partnering with us as well as Cruise Nite, so we hope to be able to do that entire event and keep all the money that

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we make off of that. [LB213]

SENATOR HANSEN: Thank you. [LB213]

BOBBI PETTIT: Uh-huh. [LB213]

SENATOR HEIDEMANN: Senator Wightman. [LB213]

SENATOR WIGHTMAN: Thank you for being here. We're talking about \$100,000 of general funding. Can you tell us how much...per year. Can you tell us how much Kearney has had in the past year, if you know, from this program? [LB213]

BOBBI PETTIT: When I came on board as a Main Street manager in July of 2009, it was the first time...Main Street Kearney has been in existence for several years but it was the first time that it became an independent program outside of the city. I can tell you in that time the Downtown Improvement Board in Kearney, which they get their tax levy from the 180...actually 200 property owners in the downtown district, they...we got \$26,000 from them this year to get our program off the ground. We also received \$5,100 from the city of Kearney to help us pay our rent the first year, so we are out of city hall in a second story space above the World Theatre. We raised \$7,000 through the visitors bureau and the local banks to put on our holiday campaign and then we recently applied for \$4,700 from the Nebraska Department of Travel and Tourism. We just had our first membership drive push last Thursday and that was a reception we had, and then we sent everyone away with a brochure and did a follow-up mailing. So far from that we raised \$2,000 from those people that attended, which would be all private sector money. Of that \$7,000 that we raised for the holidays, \$1,600 came from the banks downtown and \$3,500 came from our visitors bureau. [LB213]

SENATOR WIGHTMAN: But as far as knowing how much was paid out through this particular program, you don't know how much money. [LB213]

BOBBI PETTIT: I think it's too soon to tell but I can tell you that we were able to pay for over \$5,000 of advertising this year, which our downtown retailers that participated in that advertising campaign wrote letters of support for next year's grant and they all documented that they had a stronger fourth quarter than they've had in several years' retail. [LB213]

SENATOR WIGHTMAN: Thank you. [LB213]

SENATOR HEIDEMANN: Do you know how many Main Street communities there are in Nebraska? [LB213]

BOBBI PETTIT: Thirteen? Thirteen. [LB213]

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SENATOR HEIDEMANN: Thirteen, okay. Thank you. Any other questions? Seeing none, thank you for coming in today. [LB213]

BOBBI PETTIT: Thank you. [LB213]

MICHAEL SMITH: I'm Michael Smith, M-i-c-h-a-e-l, Smith, S-m-i-t-h. I am director of the Nebraska State Historical Society and state historic preservation officer. Happy Valentine's Day. This...I'm not here...I'm not going to repeat the good facts that have been laid before you this afternoon by Senator Pankonin and the witnesses. I just want to say that as we look across the state in our work, from the State Historic Preservation Office point of view, and we look across the state as we work with communities large and small, rural and urban, we see no shortage of programs for economic development, new ideas, new approaches, new studies. The one thing that I have seen over my tenure here, now five years, is the effectiveness of the Main Street Program of pulling together many main themes that flow throughout these reports and studies and programs. Local communities and growth and strengthening of our local communities; preservation of our resources, particularly our historic buildings; preservation of downtown businesses; opportunities for young people and people not so young to come back to their communities and actually have a living there; the importance of maintaining population in our rural areas to support our agricultural infrastructure, all of those things flow together. And Main Street I think is an exceptional program with the very, very good record, not only in Nebraska but across the country, with a proven methodology to it so that people aren't inventing new ways of doing things but, rather, applying the basic principles of the Main Street Program to their own downtown communities in ways that make sense to them. So I think it's an excellent program. We've been very pleased over the past three years with the development of Heritage Nebraska as a private, not-for-profit, statewide historic preservation organization with which we are pleased to work, as we work to support the people in what are their priorities in their communities. And I think this is a program that I would commend to you. Appreciate your consideration in these very difficult times and times of very difficult decisions. I'd be happy to answer any questions, if I could. [LB213]

SENATOR HEIDEMANN: Are there any questions? You think that this is important that this program goes on. [LB213]

MICHAEL SMITH: Yes, I do, Senator. [LB213]

SENATOR HEIDEMANN: Sometimes we struggle here with small programs exactly who's going to administer them or take care of them, and I think Main Street is one of them. Would the Historical Society be interested in overseeing the Main Street Program? [LB213]

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MICHAEL SMITH: We would be happy to do that, provided the money for the Main Street was money in addition to what you're able to put into our budget. [LB213]

SENATOR HEIDEMANN: Okay. Any other... [LB213]

MICHAEL SMITH: If that makes sense to the Legislature, we would certainly cooperate, I guarantee you. [LB213]

SENATOR HEIDEMANN: All right. Thank you. Any other questions? Senator Nelson. [LB213]

SENATOR NELSON: Well, I just...I'm looking through these letters here. Thank you for coming, by the way, and I see I think there was one from the Architecture Department and they work... [LB213]

MICHAEL SMITH: At the university. [LB213]

SENATOR NELSON: ...in connection with that, the university... [LB213]

MICHAEL SMITH: Yes. [LB213]

SENATOR NELSON: ...and everything like that. [LB213]

MICHAEL SMITH: Yes. [LB213]

SENATOR NELSON: So you would feel comfortable with coordinating all of that if these duties came to you. [LB213]

MICHAEL SMITH: Yes, we would certainly work on that; pleased to do it. I mean this is an important program to us. I think it's important to us, in fact I know it's important to us because I believe it's important to the communities that we serve across the state, that we all serve and that's what we're here for. We'll be happy to help. [LB213]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB213]

MICHAEL SMITH: Thank you for your time. [LB213]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB213? (See also Exhibits 4, 5 and 6) Is anyone wishing to testify in opposition on LB213? Does anybody want to testify in the neutral position on LB213? Seeing none, would Senator Pankonin like to close? [LB213]

SENATOR PANKONIN: I want to thank the committee for their attention this afternoon. I

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am fortunate to have two Heritage Main Street communities in my legislative district. I know the impact that 87 net new jobs and 10 net new businesses, 49 building improvements, and 4 brand new buildings on empty lots have had in Plattsmouth since it became a Main Street community in 2001. The cumulative investment in downtown Plattsmouth has been \$15.4 million since Main Street started. In Nebraska City, since 2007 and through December, there have been 53 net new jobs and 15 net new businesses with \$3.5 million invested in the downtown. Senator Heidemann, in your district down in Falls City, where the program is just one year old, there have been three net new jobs and nearly \$25,000 invested downtown. And these figures do not include the renovations at The Grand Weaver Hotel, because that dynamic project is not yet finished. Plattsmouth, Nebraska City, and Falls City are all recipients of the Department of Economic Development's downtown revitalization grants that will mean additional investment, jobs, and business creation. Senator Wightman, Lexington, as you've mentioned, has also been a recipient of that grant and a Main Street associate community. From 2002 to 2009, Lexington was a designated Main Street community and saw 14 new businesses and 29 net new jobs with a \$750,000 investment in the downtown. Likewise, Senator Harms, Scottsbluff is a recent downtown revitalization grant recipient. When it was a Main Street community between 1996 and 2005, there were 59 net new businesses and 179 net new jobs with a \$5 million investment in downtown. Main Street has already done work with Lincoln's Urban Development Department to assess areas such as the Havelock commercial district and, Senator Fulton, the College View district in your area. Senator Harms and Senator Hansen, preservation projects have benefited your hometowns. Rehabbing the old Scottsbluff High School saved taxpayers millions of dollars over tearing it down, the old building, and building a new building. A similar rehab and reuse of the old North Platte Post Office will have similar benefits. Given these successes, imagine the impact the program can have in other communities besides the 13 that have been mentioned. Main Street uses an all-encompassing approach to inspire and guide local residents to strengthen, enhance, and promote their community while keeping the economy vibrant. I urge the committee to maintain Heritage Nebraska Main Street in its budget recommendations, and I do know all the difficult decisions you folks have to make. I mention this every time. I'm the one state senator that lives on main street, 721 Main Street in Louisville. (Laughter) Louisville hasn't been part of this program but I think many of you have visited me there or been to my community. Having a vibrant main street really means a lot. It lifts your spirits. And one of the things Lori and I enjoy doing when the weather gets a little better is taking a walk down from our house all the way down the street to get an ice cream cone or something, and I do think, as been stated before, having a vibrant main street that's on the go and the buildings are fairly well occupied does make a lot of difference in our communities. And we really appreciate your thoughtful support of this again. Thank you. [LB213]

SENATOR HEIDEMANN: Looking at how many communities there are and how much we actually put in, what happens to Main Street if we can't continue with our funding?

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[LB213]

SENATOR PANKONIN: Well, you know obviously the other thing that we've mentioned but I think needs to be mentioned again is the leveraging effect of this program, the fact that we've been able, besides \$100,000 or \$93,000, I think more specifically the fact that it's been leveraged 2 to 1 with private sources. Now will it be able to maintain that? I'm not sure. I think it always helps. As you know, Senator Heidemann, when you have these public and private, that there is money from the government. It does seem to spur things. I think when we heard from the lady from Kearney and we heard from Plattsmouth as well that these communities, besides being part of this program, are leveraging that with their local private sources and I think it all helps. There's a leveraging effect. Does it totally go away without it? No, but it sure does make a difference. And as we've stated here, too, it moves from community to community and I think there's others that could benefit from this over time. I think Wayne, Nebraska, has been another one that was a big success story that I think they're completed with that now, but drive through that community every once in a while and it really has made a difference there. [LB213]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thank you. [LB213]

SENATOR PANKONIN: Thank you for your attention this afternoon. [LB213]

SENATOR HEIDEMANN: With that, we'll close the public hearing on LB213 and open up the public hearing on LB120, Senator Avery. [LB213]

SENATOR AVERY: I see I'm still good at clearing a room. (Laugh) I have that effect. [LB120]

SENATOR HEIDEMANN: You have that about you. [LB120]

SENATOR AVERY: Thank you, Mr. Chair. My name is Bill Avery, for the record, spelled B-i-l-l A-v-e-r-y. I represent District 28 here in the heart of Lincoln. I am bringing to you LB120 which is a bill that came out of the LR542 process. The Government Committee proposed, as 1 of our 16 or so options, to eliminate General Fund dollars allocated to the Risk Management Program and replace these dollars with money from revolving funds. I would note that the Department of Administrative Services listed this in their budget issue detailed report and the Government Committee felt that a statutory change might be necessary to implement this and we drafted this proposal to make that possible. As you know, the Office of Risk Management is mainly funded through revolving funds, but for some reason that we can't yet identify about \$79,000 in that fund are General Fund dollars. This bill allows the elimination of that \$79,000 from General Funds and replaces these General Fund dollars with money from the Workers' Compensation and Insurance Revolving Funds. This is consistent with what the

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Department of Administrative Services wishes to do and it is the recommendation of the Government Committee that we give them that authority. Thank you. [LB120]

SENATOR HEIDEMANN: Thank you, Senator Avery. Senator Wightman has a question, if you would entertain him. [LB120]

SENATOR AVERY: I don't think I have a choice, do I? (Laughter) [LB120]

SENATOR WIGHTMAN: Just one question (inaudible). You're replacing it with revolving fund dollars out of the Workmen's Compensation Fund, and you may not know this, maybe a later testifier will cover this, but how much money is in the revolving fund and from what source was that money derived? [LB120]

SENATOR AVERY: You know, you've asked me two questions I can't answer. I will give you my best guess. My guess is that the Workers' Compensation Insurance Revolving Funds come from a legal source (laugh) and my other guess is that there is money there in that fund to cover this. [LB120]

SENATOR WIGHTMAN: Okay. Thank you. [LB120]

SENATOR HEIDEMANN: Senator Nelson. [LB120]

SENATOR NELSON: Thank you, Senator Avery. So there really doesn't have to be any connection between this. I mean if there's a source where there may be some surplus, that's where they want to... [LB120]

SENATOR AVERY: I think so, yes. [LB120]

SENATOR NELSON: ...take this and bring it over here. Okay. Thank you. [LB120]

SENATOR AVERY: And I think the programs are related, risk management is related to workers' compensation. [LB120]

SENATOR HEIDEMANN: Any other questions? Senator Fulton. [LB120]

SENATOR FULTON: The intent then is, on page 5 of the bill, line 5, "On and after the effective date of this act, no General Fund money shall be appropriated to the Risk Management Program." That's the intent then... [LB120]

SENATOR AVERY: That's right. [LB120]

SENATOR FULTON: ...is we're going to shut down General Fund monies heretofore? [LB120]

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SENATOR AVERY: Yes, that is the intent. [LB120]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB120]

SENATOR AVERY: Is it all right if I take this chair over here since I'm... [LB120]

SENATOR HEIDEMANN: What's that? [LB120]

SENATOR AVERY: Is it all right if I take this chair over here since I'll be up next? [LB120]

SENATOR FULTON: It's electric. It's wired. [LB120]

SENATOR AVERY: Oh, actually I don't want to do that. (Laughter) When I sat down, these were all filled. [LB120]

SENATOR HEIDEMANN: Is there anybody else wishing to testify in support of LB120? Is there anyone wishing to testify in opposition on LB120? Is anyone wishing to testify in the neutral position on LB120? We did get a letter of support from LB120 from Department of Administrative Services, DAS. (Exhibit 7) Senator Avery, would you want to close? Senator Avery waives closing on LB120 so we will close the public hearing on LB120 and we will open up the public hearing on LB496, Senator Avery once again. [LB120]

SENATOR AVERY: So what I giveth I now want to taketh away. (Laugh) [LB496]

SENATOR HEIDEMANN: That's what we decide here, Senator. (Laughter) [LB496]

SENATOR AVERY: I know. I am bringing to you LB496 which deals with the restoration and rehabilitation of Nebraska Centennial Mall. This has been a priority of mine for many years. In '08 I helped put together a task force that began to study the mall and its renovation and they have worked diligently with landscape architects for the past three years preparing designs and plans for the mall. In 2009 I introduced an interim study to continue to review and recommend possible design and renovation options as well as funding strategies, and that task force has been successful and I'll talk about that in a minute. In 2010 I again introduced a bill as a result of the interim study. That bill would have amended the Nebraska State Capitol Environs District Act to empower the state of Nebraska to participate in beautification projects in the environs district. This year I am once again fighting for our Centennial Mall by bringing to you an appropriations request that will allow the state of Nebraska to honor its financial commitment to put necessary renovation and rehabilitation plans into action. The bill would create the Centennial Mall

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Project Fund and it would direct the Legislature to transfer \$500,000 from the General Fund into the mall fund for four years, for a total of \$2 million. The mall is, I would argue, a shared responsibility between the city of Lincoln and the state. It is seven blocks long. It was a part of Bertram Goodhue's original plan for the Capitol. It was intended by him to be the front door to this great building here. The seven blocks have three zones. The first two to the north are what we are conceiving as the civic zone and this is where I would ask you to focus your attention. That's the blocks that are closest to the Capitol, most directly connected to the Capitol and is, in fact, one could argue, our front door. The three middle blocks are the community zone, and the city of Lincoln has already committed \$2 million in local TIF financing and some private investment dollars as well for those three blocks. The University of Nebraska Foundation represents the northernmost blocks, there are two blocks there around the university and the State Historical Society, and the foundation has made a financial commitment to raise another \$2 million to renovate these two northernmost blocks. So what remains are the two blocks immediately north of the Capitol. You could say that Centennial Mall is a kind of symbolic backdrop to so much of what we do in the public arena in this city. A lot of historical observances, announcements, political rallies, cultural celebrations, farmers' markets, book fairs, food and music festivals all occur in that particular area. Over the years, it has fallen into disrepair. At one time we had six fountains. Now we have broken fountains sitting with empty holes. Some have been filled in with dirt but I think only one fountain now works and we're not sure how much longer that will last. We have electrical outlets that protrude from cement at odd angles, trees are dying, concrete steps are eroding, tree trunks that long since outgrew their planter boxes and split them open. Just walk down there sometime and take a look and it's embarrassing to me, as a state senator, to look at that and realize that we've let it get to that point. It is a shared responsibility, I know, and the city of Lincoln and university are willing to step forward and help out. It's also not in compliance with current law with respect to handicapped access. It's a dangerous place if you are not careful where you walk. Parts of it have been from time to time roped off. It would not surprise me to see it closed down if something is not done soon. So what I am asking for you to do is to take on the task of helping Lincoln and the university to renovate this. We have some excellent proposals for several plazas, community gathering areas, picnic lawns, and interactive fountains surrounded by native grasses. There will be opportunities and encouragement to celebrate traditions of the past, the life of the present, and ideas of the future. A lot of good people are working on this. We just need a little bit of a help to get over the finish line. It's an important project. I would tell you that in the Government Committee we have six bills that we have...we've heard, had hearings on all but one of them, and the combined effect of those six bills--should you choose to ask for them, we will report them out and you will have them available to you--if all of those were to be adopted it would save over \$1 million. So I'm giving you some wiggle room here if you are so inclined to take me up on it. I will have a letter to you, Mr. Chair, that will list all of these bills that are in the Government Committee and how much money is associated with them. They came out of the LR542 process. We have held those bills in committee with

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the expressed purpose of responding to your requests, should you want them or need them to help with your budgeting process. With that, I will stop or give people here who are intimately involved in the campaign to renovate that mall and they'd be happy to speak on behalf of this proposal. I would point out to you that this was built in 1967. It's called Centennial Mall because it was built to help celebrate the centennial of the state and over the years, that's a long time, over the years it just has fallen apart. Thank you. [LB496]

SENATOR HEIDEMANN: In your opinion, was the LR542 process looking for ways to save money so that we could fund core functions of the government and not cut as much or was it to go out and find other projects that we could fund? [LB496]

SENATOR AVERY: Actually, it was the former. That was the purpose of it and that's the way we approached it in the Government Committee. I just wanted to let you know that there were these bills out there that did give you some room to...some latitude to act, if you should choose to, on this proposal. [LB496]

SENATOR HEIDEMANN: What's the total cost? It talks about our share at \$2 million. [LB496]

SENATOR AVERY: Yeah. [LB496]

SENATOR HEIDEMANN: What is the total cost? [LB496]

SENATOR AVERY: I think it's \$7.5 million and \$1.5 million will go into an endowment for future repair and maintenance. So total cost would be \$9 million. [LB496]

SENATOR HEIDEMANN: Okay. You understand the economic situation, revenue situation that we have in the state of Nebraska and we're looking for priorities. Would you consider in this biennium budget that we're working on this would be a priority? [LB496]

SENATOR AVERY: It's a priority of mine. I've been working on it since 2008 and I guess I will keep working on it until we get it done. Before I leave here, I would hope we can. I know it's...I voted for LB383. I know it's a tough process we're going through. We would like to have, obviously, all \$2 million at one time. What we're proposing in this bill would be \$500 over the next...\$500,000 over the next four years. [LB496]

SENATOR HEIDEMANN: We've got very little bit of money. I'm going to just end with this and you can smile and go on or whatever, but I mean we've looked for priorities in this state. One of the things that we have in our preliminary budget and the Governor put in was \$25 million for Innovation Campus. Is this enough of a priority to give them \$23 million and do this \$2 million here? (Laugh) [LB496]

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SENATOR AVERY: Well, I like the Governor's proposal on Innovation Campus and I'm about to go back to the Education Committee and this week we will be hearing...no, we'll be "exec-ing" on TEEOSA, by the way, and I'm going to keep my eye on TEEOSA and Innovation Park to make sure that what I do in that committee on TEEOSA does not damage Innovation Park. So, yeah, we all have priorities and I know your job is probably the toughest because you have to look at all of the priorities. [LB496]

SENATOR HEIDEMANN: We have Senator Wightman, Senator Fulton, and Senator Harms, and then Senator Hansen. [LB496]

SENATOR WIGHTMAN: Senator Avery, thank you for introducing a bill, I think. (Laugh) At any rate, I just wonder if that's how we approached the LR542 process is to find us \$79,000 and then figure out how to spend \$500,000 but...per year, I might add. But you disarmed me a little bit when you told me about all these other bills you have that are to bring forth more money. [LB496]

SENATOR AVERY: Well, when LB383 came out of committee, it included...two major portions of it were bills that came from the Government Committee. The aid to NRDs, that came out of our committee but was referenced to Revenue. And we had the aid to municipalities as well was in our committee. We had a slightly different proposal than wound up in LB383, but we actually made some difficult choices in that LR542 process. [LB496]

SENATOR WIGHTMAN: And I just wondered if, for every \$79,000 you bring forward, will you find an offsetting bill of \$500,000. [LB496]

SENATOR AVERY: No, this is...you know, actually, I almost didn't bring this to you because I realize the gravity of our fiscal situation, but I think this is an important priority. If we...here's my concern. If the state does not participate, I don't believe we can do it, just don't believe we can do it. [LB496]

SENATOR WIGHTMAN: And as far as the purpose of your bill, I really agree with that. I think this whole Centennial Mall is going to fall apart in a few years, as we're getting close to that happening to where maybe it's almost beyond repair and we start from scratch. So I can fully understand that. But I thought I'd... [LB496]

SENATOR AVERY: There are probably liability issues as well, Senator, when you get into ADA compliance and things of that sort. [LB496]

SENATOR WIGHTMAN: Well, that might be how you tie this \$79,000 to risk management. [LB496]

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SENATOR AVERY: Risk management. (Laugh) [LB496]

SENATOR WIGHTMAN: Thank you, Senator Avery. [LB496]

SENATOR HEIDEMANN: Senator Fulton. [LB496]

SENATOR FULTON: Thank you, Mr. Chairman. Thanks, Senator. That therein lies the substance of my question. Can you comment on what could our exposure be via ADA and who is exposed, is the city of Lincoln or the state of Nebraska or both, and to what effect? [LB496]

SENATOR AVERY: You know, I'm not sure. [LB496]

SENATOR FULTON: Maybe Lynn. [LB496]

SENATOR AVERY: Lynn Johnson might be able to answer that better. But if we ever had a serious injury, I think we would be liable, somebody would be, and I'm sure the city would be a part of that. [LB496]

SENATOR HEIDEMANN: I'm just guessing that it's not state property, it's city property. I think they would tie that liability back to the city. [LB496]

SENATOR AVERY: It's a right of way actually, technically a right of way. It's 15th Street. [LB496]

SENATOR HEIDEMANN: Right of way but that the city owns. [LB496]

SENATOR AVERY: That I can't tell you for certain but I think you're right. [LB496]

SENATOR HEIDEMANN: Senator Harms. [LB496]

SENATOR AVERY: I hear whispering behind me so somebody back here knows the answer. (Laugh) [LB496]

SENATOR HEIDEMANN: Senator Harms. [LB496]

SENATOR HARMS: Well, thank you, Senator Avery, for bringing this to us. Now am I right that this project has a foundation? Do you have a foundation put together for the fund-raising or... [LB496]

SENATOR AVERY: We are working with the Community Foundation of Lincoln. We have a working group that I don't know if they've incorporated as a foundation yet or not. [LB496]

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SENATOR HARMS: What is the goal of that foundation and how much do they plan on raising, because when I look at the community itself there's a lot of wealth here and \$9 million in many cases is not a heck of a lot of money. It is in a way, but you get right down to the wealth we have in our community that we ought to be able to raise that money, you know, externally through a foundation. [LB496]

SENATOR AVERY: Well, we're working with the University Foundation on the northern two blocks and we're working with the city on the middle two...on the middle three, and then that just leaves the two that I've been talking about. I can...I don't know if we have an actual formal foundation, we might, but one thing that is I think important to observe is that if you look down that avenue or the mall, there is almost no property tax generating property. It's almost all government or some other private entity, the Catholic Church on one side and the old Assurity Building on the other that now belongs to the state. You got the State Office Building, you have the state parking garage, you have university and a whole lot of public entities that front on to that mall. [LB496]

SENATOR HARMS: The reason that I ask that question is that five years ago, as a freshman senator, there were people who came to my office and talked about the mall and they were looking at going from all the way from our front door all the way to the university and they were going to create a foundation, and they were talking about raising the majority of that money externally and that's why I was asking. [LB496]

SENATOR AVERY: We are raising external money and I believe that people who are waiting to testify can tell you how much. And of course, the money that the foundation would be putting up for the two blocks on the north end, that would be private money. And I believe the endowment that is being planned, the \$1.5 million, that is private money, I believe. I'm not sure. [LB496]

SENATOR HEIDEMANN: Just before we get to Senator Hansen, you're talking about \$2 million state funds for the south two blocks. [LB496]

SENATOR AVERY: Uh-huh. [LB496]

SENATOR HEIDEMANN: That would be \$1 million a block. [LB496]

SENATOR AVERY: Yeah, and that's just about what all the planners think it would cost. [LB496]

SENATOR HEIDEMANN: Thank you. [LB496]

SENATOR HANSEN: Thank you. Senator Avery, 1967, when this was built, do you have any history on was it considered a civic zone, the south two blocks? [LB496]

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SENATOR AVERY: I am not sure about that. I always looked at the whole mall as a contiguous whole, that it was all a part of the front door to the Capitol. And I believe at one point, going back to 1977, when the Capitol Environs Act was passed, I believe there was some talk then that this was all a part of the environs, although we have the whole seven blocks. [LB496]

SENATOR HANSEN: Is K Street a city street? [LB496]

SENATOR AVERY: It is. [LB496]

SENATOR HANSEN: And you keep referring this as the front door. You can't get in the front door, can you? Is the front door ever unlocked, the one at the top of the stairs? [LB496]

SENATOR AVERY: Oh, the one at the top, I think when they're... [LB496]

SENATOR HANSEN: The one downstairs, below or around the horseshoe and into the blast furnace is always open but... (Laughter) [LB496]

SENATOR AVERY: It is. (Laugh) It is opened, I think, in the summer when you don't have ice problems on the steps, right? [LB496]

SENATOR HANSEN: Oh, is it? So when we're not here. [LB496]

SENATOR AVERY: Yeah, when we're not here. (Laughter) [LB496]

SENATOR HANSEN: Very good. And then you also said to fulfill Nebraska's obligation in your opening. Can you expand on that a little bit or is that what you're talking about being ADA accessible and... [LB496]

SENATOR AVERY: Well, I think we have an obligation to protect, beautify and enhance this structure. This is, and you know this, it is one of the most magnificent State Capitols in the whole country and I've seen a lot of them and this one is by far the best conceived, the best constructed, and the best maintained. We still have things that we have not done that were in the original plans. The quadrant courtyards, for example, the fountains still have not been installed. A lot of the landscaping has never been completed. This is such a vital part of the environs and such a visible part of the environs and so much a part of the public space that accompanies the Capitol that that's why I think it's a shared obligation with the city and the state. [LB496]

SENATOR HANSEN: I am a small property taxpayer. I own a small property in Lancaster County and pay property taxes on that condo where I live. I would like to see

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some of that go to the...I mean that's...I pay that to the county and the city takes their share out and I think I'd like to see that used. You can use the whole... [LB496]

SENATOR AVERY: Since you're in the Capitol environs, would you be willing for a special assessment on your condo to help pay for this? [LB496]

SENATOR HANSEN: Compared to the rest of my property tax, yes. (Laughter) [LB496]

SENATOR CONRAD: In exchange for (inaudible). [LB496]

SENATOR HANSEN: Thank you. [LB496]

SENATOR AVERY: You probably...you are in the Capitol environs in Windsor Square. [LB496]

SENATOR HANSEN: Good to know. Thank you. [LB496]

SENATOR HEIDEMANN: Senator Nelson. [LB496]

SENATOR NELSON: You've already--thank you, Senator Avery, and thank you, Mr. Chairman--touched on some things. You touched on the fountains and that was part of the original plan here. You don't think that we ought to prioritize that and put the four fountains in rather than repair the fountains down the mall? [LB496]

SENATOR AVERY: What the plan is that we would get away from the basin fountains that are so hard to maintain and costly to operate and go to a kind of zero-entry fountain, you've seen them, where the water comes up through openings in the concrete. [LB496]

SENATOR NELSON: This is out on the mall you're talking about. [LB496]

SENATOR AVERY: Yes, on the mall. [LB496]

SENATOR NELSON: Okay. Okay. [LB496]

SENATOR AVERY: Oh, you were talking about the fountains in the courtyards. [LB496]

SENATOR NELSON: Fountains in the courtyards, yes. [LB496]

SENATOR AVERY: There is a... [LB496]

SENATOR NELSON: That would only take another \$200,000. [LB496]

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SENATOR AVERY: No, actually there is a program going on right now, Senator Price is heading it, to raise money with 4th graders to get enough together to get those in. [LB496]

SENATOR NELSON: I remember last year there was a gathering over down the mall here showing possible designs and things like that. This is more than just repairs. Are they going to adhere to the original plans or will there be some changes? Probably you've already seen... [LB496]

SENATOR AVERY: There would be, yeah, there is...and there are people here who can talk about that, but I have a...I believe this is a report you might be interested in looking at. I'd be happy to pass it around if you want to see it. It shows some of the problems that exist today and what it would look like if we actually did it right. [LB496]

SENATOR NELSON: You know how Lincoln... [LB496]

SENATOR AVERY: And it's not cheap but it can be a very attractive... [LB496]

SENATOR NELSON: ...how Lincoln plans to pay for its \$3 million if this went through, can they get grants for that sort of thing? [LB496]

SENATOR AVERY: They have TIF financing right now for about \$2 million and they're holding that to invest in the middle three blocks. And I believe the \$1.2 million, \$1.5 million for the endowment is private money, but I'm not absolutely sure. But there is money available for five of the seven blocks. [LB496]

SENATOR HEIDEMANN: Who determined who was responsible for what that the state got the south two half, the city in the middle, and the university the north? [LB496]

SENATOR AVERY: Well,... [LB496]

SENATOR HEIDEMANN: Who determined what was fair there? [LB496]

SENATOR AVERY: ...a lot of that had to do with proximity. The university, it has pretty much engulfed the two northern blocks. The city of Lincoln, where Pershing Auditorium is, they took the three middle ones in part because the city had come up with enough money that they could actually do those three blocks. Those three blocks probably require the least amount of renovation because they've tended to be more open to vehicular traffic, for example, whereas the two blocks nearest the Capitol, the two blocks at the university end have been closed to traffic except for crossing. [LB496]

SENATOR HEIDEMANN: Senator Wightman. [LB496]

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SENATOR WIGHTMAN: Thank you. Senator Avery, I would hate to give you any more ammunition than you already have (laughter), but I suppose one of the reasons that the two blocks nearest the Capitol, many of these projects are done through assessments to adjoining adjacent businesses and you've already outlined that a substantial part of that two-block area would be not businesses but buildings that are occupied by the state of Nebraska, the Office Building, the... [LB496]

SENATOR AVERY: I think the church property is the only one that... [LB496]

SENATOR WIGHTMAN: ...Assurity Building and... [LB496]

SENATOR AVERY: ...that's not owned by the state. [LB496]

SENATOR WIGHTMAN: ...some of the others, and I suppose from that standpoint there is some justification, whether the timing is right there's a lot of...a number of other issues but...and the timing is never right when it's costing money. I understand that. So nevertheless, if it were done on an assessment basis of land owners or land occupiers that occupy that space, a lot of it would go... [LB496]

SENATOR AVERY: It would. [LB496]

SENATOR WIGHTMAN: ...I suppose to the state of Nebraska, would it not? Have you ever done any... [LB496]

SENATOR AVERY: We talked about this last year when a bill was before the Revenue Committee, we talked about assessments, and the general agreement was that if we were to go to assessments that most of those would fall on the state. [LB496]

SENATOR WIGHTMAN: Thank you. [LB496]

SENATOR HEIDEMANN: Senator Conrad. [LB496]

SENATOR CONRAD: Thank you. Senator Avery, this is actually a dovetail off of Senator Heidemann's question and just to clarify for the record. In the seven-block scheme envisioned in the renovation project for Nebraska's Centennial Mall, I think there's...it's fair to say, you would agree, that there's some ambiguity regarding jurisdiction, but your example in terms of assigning responsibility for the two blocks in question is really for purposes of illustration rather than an assignment of ownership? Is that right? [LB496]

SENATOR AVERY: Right. Yeah, we talked a little bit about ownership and I think it's...I don't think the state owns the property but 39 percent, I just...yeah, 39 percent of the frontage along the mall is owned by the state. [LB496]

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SENATOR CONRAD: Right. No, I think that is helpful because I think, even though there's some gray areas, it's important that we have a clear understanding of the differences between jurisdiction, liability, ownership. But overall it's fair to say, I think, that this statutory framework envisions a partnership amongst the various entities of government. [LB496]

SENATOR AVERY: Right. Right. [LB496]

SENATOR CONRAD: Okay. [LB496]

SENATOR HEIDEMANN: Seeing no further questions, thank you. For the present time, will you be sticking around to close? [LB496]

SENATOR AVERY: If it will keep me out of the Education Committee, yes. (Laughter) Yes, I will stay. [LB496]

LYNN JOHNSON: This is Valentine's Day. We're trying to get a little love for Centennial Mall today. [LB496]

SENATOR FULTON: Flattery will get you everywhere, food will too. [LB496]

LYNN JOHNSON: (Exhibits 8 and 9) As those are being passed around, I will fill out one of these. Thank you, Senator. [LB496]

SENATOR HEIDEMANN: Welcome. Thank you. [LB496]

LYNN JOHNSON: Thank you. Thank you. [LB496]

SENATOR HEIDEMANN: Go ahead. [LB496]

LYNN JOHNSON: Good afternoon, Senator Heidemann and members of the Appropriations Committee. My name is Lynn Johnson, L-y-n-n J-o-h-n-s-o-n. I'm the director of the city of Lincoln Parks and Recreation Department and I'm pleased to have the opportunity to speak in support of LB496 this afternoon. I want to say thank you very much to Senator Avery for his continuing interest and involvement and support for the Nebraska Centennial Mall renovation project. Want to let you know a little bit about what you've got in your packet. There is information there that provides an indication of the ongoing relationship and partnership really between the city of Lincoln and the state of Nebraska, and the initial inception and the ongoing development of Centennial Mall over time. There is a piece of...a portion of the Nebraska Capitol Environs legislation that was passed in 1997 and what that says is that the state or the state working in cooperation with the city and/or Lancaster County can expend funds within the Capitol

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environs, including Centennial Mall, for improvements within the district. At the end of the packet there is a letter from Mayor Beutler indicating that we have...that there is a \$3 million commitment from the city of Lincoln to this project. There is a letter from Liz Lange, who is the president of the Lincoln Parks Foundation. The Lincoln Parks Foundation, working in partnership with the University of Nebraska Foundation, will organize and lead the fund-raising campaign for this project. There's a letter from our Allen Beermann; there's a letter from Eric Brown, who is a member of the Centennial Mall fund-raising committee; and then the last letter in the packet is a letter from former Governor and Senator Bob Kerrey, and he is an honorary chair of the campaign. And to try to keep this under three minutes, I'm going to read this and then I will be happy to answer any questions. But I thought the most efficient way to get through my testimony might be to read through it. Nebraska Centennial Mall was envisioned by Nebraska Capitol architect, Bertram Goodhue, as the physical and symbolic link between our iconic State Capitol Building and the University of Nebraska. The current features of the mall were dedicated in 1967 in conjunction with celebration of Nebraska's 100th anniversary. For several decades the deteriorating condition of the walkways and mall features has caused concern for the safety and security of people traveling the mall each day. The surface of the walkways and steps continues to heave, crack and become uneven, and there is not pedestrian lighting along the walkways. In addition, as Senator Avery said, the walkways do not meet current ADA standards for accessibility of people with mobility limitations. And because of the stepped design of the mall, the way that it was originally designed, there really is no feasible way to come in and tear out sections of the mall and put in accessible walkways. So essentially it is going to be a complete overhaul or major renovation. Over the past 18 months a plan has been developed for renovation of Nebraska's Centennial Mall. This plan includes wide, accessible walkways on both sides of the mall, extending from the State Capitol Building to the UNL city campus. Pedestrian lighting will provide for security of pedestrians during evening hours. Large green spaces are planned to allow for a variety of activities. The tree-lined postcard vista to the State Capitol Building will be reestablished, and there's three plaza activity areas that are planned. We've also developed a funding plan that includes public and private partners. The projected cost for renovation of Nebraska's Centennial Mall is \$7.5 million. In addition, an endowment of \$1.5 million is planned to provide for future repair and replacement costs. We hope that 40 years from now we aren't sitting around this same table having this same discussion. This brings the total project cost to \$9 million. The city of Lincoln has committed \$3 million to the project. Lancaster County has committed \$100,000. We've requested \$900,000 from the federal Government Services Administration to fund the costs of renovation of the two block faces fronting the Denny Federal Building and associated parking garage. And as you've heard, we are requesting that the state of Nebraska partner in providing \$2 million over four years. These state funds would be leveraged, 4.5 to 1, with funding and donations from other private and public partners. Nebraska's Centennial Mall is a governmental mall with about two-thirds of the fronting properties owned by federal, state, and city government. The state of Nebraska is the

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largest single property owner fronting the mall, owning 39 percent of the fronting properties. We're asking that the governmental partners provide the initial funding for infrastructure to make the mall accessible, safe and secure. And our fund development partners can then reach out to secure private donations for the features and amenities that will again make the mall a place of pride for all Nebraskans. And we absolutely do recognize that these are challenging economic times at all levels of government but we feel like addressing the accessibility, safety and security of the many people who travel Nebraska Centennial Mall on a daily basis should not be ignored or deferred at this point. And I would be happy to answer any questions that you might have this afternoon. [LB496]

SENATOR HEIDEMANN: Senator Fulton. [LB496]

SENATOR FULTON: Thank you, Mr. Chairman. Thanks for being here, Lynn. [LB496]

LYNN JOHNSON: My pleasure. [LB496]

SENATOR FULTON: What's our exposure? And granted, this is a tough question, but could you speak to the exposure that we experience because we're out of ADA compliance? And then maybe a little...include in there a little bit of who is exposed. [LB496]

LYNN JOHNSON: It's a great question and I'm not an attorney so I will start with that caveat. The 120-foot-wide right of way that was 15th Street that became Centennial Mall is city right of way. The city and the state worked together in the 1930s to put that right of way together, but it is city right of way. In 1997, the Capitol Environs Commission was...or, pardon me, Capitol Environs Commission Act was passed and essentially that lets the state participate in improvements in the area. We're essentially one claim away from...if somebody were to file a claim on ADA compliance, we would have to do something about the mall immediately. So we're trying to do something in a proactive way rather than a reactive way. Attorneys have told me that if we get a filed claim, that somebody will potentially look at the Nebraska Environs Act and say this is a joint city and state responsibility. The State Legislature has given the state the ability and perhaps the responsibility to assist with funding those improvements. Now those would be up to the attorneys to figure out but that's what I've been told so far, so we've tried to address this as much as possible as a city and a state responsibility. There was a lot of discussion about how do we figure out how much to request. We knew that this was a very difficult and challenging economic time for the state. We took a look at what it takes just to create the accessible walkways and get the pedestrian lighting along the southern two blocks and then the central three blocks. The request to the state is for \$1.2 million, which is the cost to do the accessible walkways and the lighting in the southern two blocks, and then half of the cost of creating the accessible walkways in the central three blocks. And the fund-raising campaign then will be responsible for the

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fountains and the trees and the landscape plantings and all these interpretative and educational elements along the mall. Those are the kinds of things that we can get people excited about fund-raising for and donating to. [LB496]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB496]

LYNN JOHNSON: You bet. Thank you. [LB496]

SENATOR HEIDEMANN: Just a second. Sorry. [LB496]

SENATOR NELSON: Could I (inaudible)? [LB496]

SENATOR HEIDEMANN: John Nelson. [LB496]

SENATOR NELSON: Would you run that by me again how you say the state environs is permitted to be part of this now or maybe I didn't understand you. What... [LB496]

LYNN JOHNSON: Yeah. My understanding is that in 1997 an act that it was called the Nebraska Capitol Environs Act was passed and essentially what that act says is that the state has a responsibility, as well as the city and Lancaster County, to be involved in preserving, protecting and enhancing the environs around the State Capitol Building. [LB496]

SENATOR NELSON: Well, yeah, but that includes a large area all around the Capitol. It includes Senator Hansen's condominium apparently. And you're saying that the state of Nebraska has liability now for all that area if there's an accident or somebody hurts themselves? [LB496]

LYNN JOHNSON: Again, I'm not an attorney, but what I've been told is that if somebody were to bring a claim forward because of that act, there's a possibility that they could point to both the city and the state. [LB496]

SENATOR NELSON: I don't know. It would seem to me like the state of Nebraska would have excluded itself from liability if...when they set that up, but I don't know. That's why I'm asking the question. [LB496]

LYNN JOHNSON: Yeah. No, it's a reasonable question. [LB496]

SENATOR NELSON: Yeah. [LB496]

SENATOR HEIDEMANN: Senator Conrad. [LB496]

SENATOR CONRAD: Hi, Lynn. Thanks for being here. [LB496]

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LYNN JOHNSON: You bet. [LB496]

SENATOR CONRAD: And just to clarify for the record, because I think this is so important as this committee sorts through priorities this session, you've been able to make this request based on not amenities that are decorative or more related to artistic endeavors or entertainment but that really you've been able to separate these costs out and really have brought forward a proposal that focuses on ADA compliance and safety. Is that right? [LB496]

LYNN JOHNSON: That's exactly true. [LB496]

SENATOR CONRAD: Okay. Thank you. [LB496]

SENATOR HEIDEMANN: Seeing no further questions, thank you. [LB496]

LYNN JOHNSON: Thanks very much. [LB496]

SENATOR HEIDEMANN: Welcome. [LB496]

JEFF SEARCY: (Exhibit 10) Good afternoon. I'll put that there and I do have extra testimony for the committee afterwards. Thank you, Senator... [LB496]

SENATOR HEIDEMANN: You bet. [LB496]

JEFF SEARCY: ...and members of the committee. My name is Jeff Searcy, it's J-e-f-f, Searcy, S-e-a-r-c-y, and I have the privilege of serving as chair of the Nebraska Capitol Environs Commission and here today to urge your support and advancement of LB496, the creation of the project fund for the revitalization of Nebraska's Centennial Mall. And I also want to thank Senator Avery for his continued support of this project and would be happy to answer questions as we go along. I'll keep my remarks very brief, hopefully to the point. I do want to also acknowledge that I think you got the tough questions to Senator Avery on the front end of this so hopefully I'm going to be immune to any of that. But I do want to say that the three main points could be summarized by kind of coming to this point and that is, Senators, Nebraska Centennial Mall does need your help and this is really the historic moment that hopefully we can all agree we've been waiting for. I want to talk from a Nebraska Capitol Environs Commission perspective. I also want to just talk about Centennial Mall, the grand promenade, kind of the history and the future of the mall, and also the timing really of the moment because of the momentum that's happening, and with the upcoming Nebraska sesquicentennial celebration. That, of course, is our Nebraska's 150th birthday that's coming right up to 2017. And with the scope of this project...you can...we can give it out afterwards, that would be fine. Thank you so much. So from the Capitol Environs Commission aspect in

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the district, this is a seven-member, as some of the previous testimony has indicated, seven-member joint city and state body that was created by the Legislature and championed, by the way, by Senator Doug Bereuter at the time, and was to guide and enhance and preserve Nebraska's Capitol Environs district. And I've had the honor of serving on this commission now at the pleasure and appointment of three different Nebraska Governors and for the past 13 years, and though my remarks I promise will be brief, this journey with regard to Centennial Mall has not been brief at all. It's been going on since before I became a member of the commission in 1998 and so the deterioration and the condition of the mall, if it was a problem then, has only gotten worse. In fact, as I parked a block away, I decided to walk on this beautiful day up the mall, to get here to the testimony, just outside there and you definitely have to be careful and it's worth taking a stroll. I will also say that that kind of leads me to point number two, Centennial Mall itself, Senators. It was the vision of Bertram Goodhue, the famed architect of the Capitol Building, that there would be these grand avenues or grand promenades, the front porch to the Capitol that would extend, and Centennial Mall kind of became the crown jewel of that and, with Nebraska's 100th birthday celebration, became then Centennial Mall, the picture postcard perfect shot out in front with the fountains and all and the 40,000-some 4th graders that take that tour every year. And maybe some of you were and have been amongst those 4th graders that have gotten those postcard shots of our great Capitol Building. In the past, the big deal was there wasn't funding, there wasn't this moment in time, but today it's different. Today the timing and momentum is worthy of recognition and I think very much worthy of taking note of and acting upon. Excitement is in the air regarding Centennial Mall and there really has never been that kind of opportunity before. And so I would ask at this historic moment that the Capitol Environs Commission is here again to the Legislature to really report that...and inform that this opportunity does exist. I consider it a historical opportunity and one that I hope, with your wise leadership, can be that visionary in bold, even though we all recognize the financial times in which we live. It's my great hope, as chair of the Capitol Environs Commission and a proponent and strong advocate of Centennial Mall, for the entire state of Nebraska. Growing up in Kearney and coming to...moving to Lincoln and, you know, you take that drive and you can't help but just about every direction you're always which one of us can see the Capitol first. And Centennial Mall plays a great role in that. So I want to thank you on behalf of the commission and myself personally for the opportunity to testify today. I don't know if there's any cookies left, but I want to thank the committee for their hard work in all of this. And the excitement that's happening with the private fund-raising that's going on in addition to now with the city being able to come to the table, really for the first time, with significant funding, I hope that the state of Nebraska can also recognize this moment and act accordingly. And I thank you very much again for this opportunity. [LB496]

SENATOR HEIDEMANN: Thank you. Senator Conrad. [LB496]

SENATOR CONRAD: Hi, Jeff. I have two questions actually. [LB496]

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JEFF SEARCY: Hi, Senator. [LB496]

SENATOR CONRAD: One, I'm glad that you talked about it a little bit in your opening in terms of kind of the composition and different issues that you deal with at Capitol Environs Commission. I know that you mentioned that this seven-member body, and I'm guessing members are appointed by the Governor and confirmed by the Legislature. Is that right or do you know? [LB496]

JEFF SEARCY: It's a joint... [LB496]

SENATOR CONRAD: It's joint. [LB496]

JEFF SEARCY: ...city and state... [LB496]

SENATOR CONRAD: Oh, okay. [LB496]

JEFF SEARCY: ...organization,... [LB496]

SENATOR CONRAD: All right. [LB496]

JEFF SEARCY: ...two of the members appointed by the Governor and five by the mayor of Lincoln, yeah. [LB496]

SENATOR CONRAD: Okay, great. Thank you. And then can you tell me in addition to Centennial Mall, what other kinds of issues you've talked about in your tenure there, what's the normal type of business that this commission carries out or conducts or is concerned with? [LB496]

JEFF SEARCY: I'd be happy to and I'll keep that very brief. We're, by statute, required to have at least quarterly meetings and quite often we find that we average maybe nine, possibly ten meetings annually. We deal with, for example, Lincoln Mall that goes between the Capitol and the City-County Building. We've dealt with, on behalf of Goodhue, now Goodhue Boulevard to the south that goes by the Governor's residence and on to A Street. The projects include not only the beautification but, really, the enhancement, protection, and future value of the environs district. And the original plan was to have all four accesses be very complementary to the Capitol Building. I think we've done a good job of that, certainly not a perfect one yet but hopefully with your action we can. [LB496]

SENATOR CONRAD: Great. And then the last question I have is in...you've been...this project has at least been on your radar for quite some time in your current capacity on the commission and as a citizen, engaged citizen in Lincoln. And as far as you know,

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has the state ever made a contribution to the care or maintenance of Centennial Mall over the years? [LB496]

JEFF SEARCY: That is a very good question. We have come close, Senators, in the past about, well, now 11 years ago. Unfortunately that was a small amount but meaningful but there was not other participation that impacted, I think, that decision. So the answer, short answer is no. [LB496]

SENATOR CONRAD: Okay. And the way you envision the current strength of the fund-raising campaign and where we are at this point in time, what this request represents today is, in essence, not ongoing funding but a one-time investment in terms of supporting this project. Because the endowment for ongoing care and maintenance is being raised in a private capacity, is that right? [LB496]

JEFF SEARCY: The endowment would be...the purpose of the endowment is for the ongoing care and maintenance of the mall. I think what it does is it sends a signal to the entire project that, yes, this time there's enough entities involved that we can get this job done and we need to get it done for the state of Nebraska and for all those that visit our fine area, that's for darn sure. So appreciate that, Senator. [LB496]

SENATOR CONRAD: Great. Thank you. [LB496]

SENATOR HEIDEMANN: Senator Wightman. [LB496]

SENATOR WIGHTMAN: Thank you, Jeff, for being here. Believe it or not,... [LB496]

JEFF SEARCY: My pleasure. [LB496]

SENATOR WIGHTMAN: ...your father was my geography professor, I think,... [LB496]

JEFF SEARCY: Is that right? [LB496]

SENATOR WIGHTMAN: ...somewhat over a half-century ago, so I thought I would... [LB496]

SENATOR CONRAD: When Centennial Mall was founded. [LB496]

SENATOR WIGHTMAN: Anyway, good professor as well. [LB496]

JEFF SEARCY: Well, thank you very much for mentioning that, Senator. [LB496]

SENATOR WIGHTMAN: But at any rate, I know the liability issue has been discussed and you're a realtor rather than a lawyer, I think, so... [LB496]

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JEFF SEARCY: True. [LB496]

SENATOR WIGHTMAN: ...you're not likely...and we have three members here that are lawyers and we probably don't know the answer to it either, but I suspect that there's a big difference between the ADA liability and the general liability that somebody might have if they fell. I'm not sure that you could waive the ADA liability, if there is any, under any circumstances, but I assume you might be able to...the state might be able to waive its other liability, for example, if somebody was injured out on the mall. I don't know that for sure either. But I assume that's not been an item of discussion among the Capitol Environs Commission probably, has it? [LB496]

JEFF SEARCY: It's been something that has been discussed and talked about as something that we hope never has to be discussed and talked about. So I guess the answer is, yes, but we're not really sure of the severity, of the ramifications that could occur. I do know that things can happen and they can happen pretty quick to people and let's just say that we've all been very fortunate that nothing has to this point. [LB496]

SENATOR WIGHTMAN: Now I know Senator Harms asked earlier I think with regard to what kind of funds might be available through the foundation and we've talked about that, as we've gone along here, quite a bit. But again, I don't know whether there's more potential for fund-raising on the private level than has been exercised to date, and I don't know whether you could address that or not. [LB496]

JEFF SEARCY: Well, I'd be happy to address what I know about it and that is that it's very exciting that the Lincoln Parks Foundation is actually in charge of that aspect of, in other words, the fund-raising element of this. There is great interest from a number of nonprofit organizations and private individuals for this mall project and there have been...we just had gone over, Senator, to answer your question, in our last Capitol Environs Commission meeting, the guidelines for being able to create named gifting opportunities, and those gifting opportunities would include such things as the beautiful new fountains that we're talking about, which we continue to hear absolutely that that's one of the prime things that people want are those beautiful fountains, but then a number of other elements that could also be named gifting opportunities. So I know the Parks Foundation is very excited, coordinating beautifully for all of us in the state of Nebraska on this, and there are a lot of opportunities to do that. But with it, I believe it's really important that the state of Nebraska also indicates their interest in this project just as the city of Lincoln has done, so that we can kind of get all the...all the butterflies flying together here. [LB496]

SENATOR WIGHTMAN: So generally, the \$7.5 million that you've talked about today wouldn't provide the beautification and enhancement that you're talking about. That

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would be done by the foundation in private funds, is that correct? Or would the \$7.5 million provide some of the funds for the enhancement and beautification of the mall. [LB496]

JEFF SEARCY: I believe it would include some, especially with those named gifting opportunities. They're some of the most...kind of the ones that have the most appeal, let's put it that way, that are certainly ones that can create that gifting opportunity. I think Mr. Johnson would be able to potentially answer that in a more detailed fashion, but overall the project is in about the scope that we've talked about, about a \$9 million area. And hopefully the state participating over a four-year period, I think we can have the project done. And here's the thing, is that we have the 150th birthday coming up. It's 2017. It's just around the corner. I know it's not necessarily on everybody's radar screen but it's going to be here. And it's already an embarrassment, Senators. Let's...if we at all, if you can work it out somehow, it's something we're all going to be proud of. It's going to be music to our ears and I almost brought my mandolin to sing my Centennial Mall song. But I sure hope you can help. [LB496]

SENATOR WIGHTMAN: Thank you. [LB496]

SENATOR HEIDEMANN: Senator Hansen. [LB496]

SENATOR HANSEN: Thank you. Thank you, Jeff, for being here. [LB496]

JEFF SEARCY: Thank you, Senator. [LB496]

SENATOR HANSEN: I wasn't aware of the liability problems till today and it certainly is a...should be a concern to the city and the state both. Have you considered, as chairman of the Capitol Environs Committee, have you considered any short-term fixes, and that would be removing the fountains, filling them with fill and planting them over with grass? [LB496]

JEFF SEARCY: Yeah, not only have we considered it, it's been being done, been done now over the last basically decades, Senator. And unfortunately, I mean every time it's...the Sower looks down and kind of sheds a tear, I'm sure, because it's just getting...you know, every fountain that goes away, it's another, I guess, opportunity that we have to step up. But, yes, that's what has been done to minimize at all any of those liabilities. [LB496]

SENATOR HANSEN: I've not seen any of the 1937 designs but what few we have here on this handout, doesn't look like there were any fountains involved there either. [LB496]

JEFF SEARCY: Yeah, way... [LB496]

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SENATOR HANSEN: So was that a 1967 idea to have the fountains? [LB496]

JEFF SEARCY: I believe so with the Centennial Mall, uh-huh. [LB496]

SENATOR HANSEN: So the Sower had seen it for a long time without the fountains (inaudible). [LB496]

JEFF SEARCY: He probably did. He did. I think he's been pointed the same direction so...but, yeah, and I would be... [LB496]

SENATOR HANSEN: Which is west. He's looking west. [LB496]

JEFF SEARCY: Is he looking west? Well, he was turning the other way the other day. (Laughter) [LB496]

SENATOR HANSEN: Thank you. [LB496]

SENATOR HEIDEMANN: Are there any other questions? [LB496]

JEFF SEARCY: Thank you, Senator. [LB496]

SENATOR HEIDEMANN: Seeing none, thank you. [LB496]

JEFF SEARCY: Thank you very much. [LB496]

SENATOR HEIDEMANN: Welcome. [LB496]

PATTY PANSING-BROOKS: Good afternoon, Senators. My name is Patty Pansing-Brooks and that's P-a-t-t-y and then Pansing, P-a-n-s-i-n-g, and then a third name, Brooks, B-r-o-o-k-s. And I am here, I wasn't going to speak but we decided that it would be good for you to know about the campaign that is going on for this program. We are very excited. We have the Lincoln Parks Foundation who is sponsoring this whole campaign and they are working steadily with a group of really dedicated volunteers. We have a group of volunteers. A campaign cabinet is Mary Arth, Eric Brown, Christie Dionisopoulos, Liz Lange, Roger Larson, Don Pederson, Mike Seacrest, Jeff Searcy, and Liz Shotkoski, if you know any of those people, and I. And we have honorary chairs on board and they include all of our past Governors or almost all of our past Governors: Senator Mike Johanns, Senator Ben Nelson, former Senator Bob Kerrey, former Representative Charles Thone, and former Governor Norbert Tiemann. So we have a wonderful group of people that are very excited about getting this done this time. There was a campaign in about...I think it was in 1997 or '98 that was a \$20 million ask and that just fell flat. We have come back at this because we believe this is going to get done. We're very excited about it. We have attempted to get a broad group

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of people across the state because we think that this is not only the front door step to our Capitol, it is the bridge between our two greatest state institutions--the University of Nebraska and our State Capitol. As Mr. Searcy said, there are 40,000 children who walk this street every year or this mall and so we intend to make it safer, we intend to make it more beautiful, and we would hope that the state would recognize that not only because of its proximity but also because of some potential issues, even in state statute, showing at least some responsibility to help take care of that, that you would attempt to find some way to support our plan and our program. We have funding partners with the city of Lincoln. As was mentioned, Lancaster County is also participating, the Nebraska Foundation, and the Lincoln Parks Foundation. We have others in the wings that can't be discussed at this moment but we have more coming forward. Our goal is to leverage the partnerships that we're building at this point and raise privately \$3 million on our own out in the community. So we are going to Lincoln, we're also going to Scottsbluff. We believe that this is something that all of Nebraskans can take pride in, just like our Capitol. We will be having different themes that will go down the mall, that will celebrate our history, celebrate our great state. So the bottom line basically is that we have money and we have the money for the first time ever with the city of Lincoln's...it's actually nearly \$3 million, and we've got money for the first time. We have a lot of people that are on board that are ready to make this happen. We want this to be a proud gateway between our two greatest state assets and we hope that you could figure out some way in this difficult time to support our exciting campaign. Obviously, the state, you all know that the State Capitol was built during the Depression and we have great faith that we can get this done this time and we're planning to and it will be done. So thank you. [LB496]

SENATOR HEIDEMANN: Thanks, Patty. [LB496]

PATTY PANSING-BROOKS: Thank you. [LB496]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thanks for coming in. [LB496]

PATTY PANSING-BROOKS: Thank you. [LB496]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB496? [LB496]

SUZANNE WISE: As long as I was here, I thought I would. Hi. I'm Suzanne Wise, S-u-z-a-n-n-e W-i-s-e. I'm the director of the Nebraska Arts Council and I want to go on record for the Nebraska Arts Council in enthusiastic support of this bill. There are two reasons for this. Number one is the Nebraska Arts Council is very interested in aesthetic issues. And while I know that the issues with Centennial Mall that you've been discussing today have to do with ADA compliance, legal issues, I agree with that 100 percent. However, I'd like to go back, Senator Heidemann, to your point about giving

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\$25 million to the university for Innovation Campus; can we take a little bit from that. Imagine, if you will, when they bring people in to sell Innovation Campus. It's important that the city of Lincoln and the state of Nebraska present the most polished look that they can to prospective investors in Innovation Campus, and it sounds to me like all of the pieces of the pie are in place. And if you could at all think about this as an investment in bringing in more Innovation Campus participants, I think it all fits together. That certainly has been the case with Omaha, I think. When they lost the BMW factory many, many years ago, they saw Omaha through German executives' eyes, which was, well, do you have anything else besides this community playhouse? You know, do you have anything else besides this, that, the other thing? And it was at that point that the leadership in Omaha decided, gee, we really need to improve our cultural infrastructure, and I think the Omaha senators would agree it's gone a long way towards economic development. My second point is that we have been approached about doing some support, primarily through the maybe commissioning of some artwork to go on the new Centennial Mall. We are more than happy to be part of that. And again, I'd like to thank you for always supporting the cultural endowment because the earnings generated from that matches those private funds so that they'll have enough money to commission artists to do some of that work in some of the educational programming. So with that, I'll be quiet. Thank you. [LB496]

SENATOR HEIDEMANN: Thanks for coming in today, Suzanne. Are there any questions? Seeing none, thank you. Is anyone else wishing to testify in support of LB496? Seeing none, is there anybody wishing to testify in opposition on LB496? Seeing none, is there anybody wishing to testify in the neutral position on LB496? Seeing none, would Senator Avery like to close? [LB496]

SENATOR AVERY: I wish only to correct the record. I made an error when I said that the community foundation was a part of the project. They are not yet. The meeting was supposed to take place today and someone was sick and could not make it. However, the Lincoln Parks Foundation is a partner. It's a worthy project and I know you'll give it serious consideration. Thank you. [LB496]

SENATOR HEIDEMANN: As Chair of the Appropriations Committee, we also want to commend you for your work in the Education Committee to make sure that TEEOSA is affordable to this state. (Laughter) [LB496]

SENATOR AVERY: You want to slip me a number? (Laugh) [LB496]

SENATOR HEIDEMANN: I think if you read the preliminary budget, when it comes out, we might have to slip you that number. [LB496]

SENATOR AVERY: Yeah, I know what that will be too. Thank you. [LB496]

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SENATOR HEIDEMANN: With that, we will close the hearing on LB496 and open up the hearing on LB497. Senator Howard. [LB496]

BREAK

SENATOR HEIDEMANN: I think we're good to go ahead and start. We are opening up the public hearing on LB497. Senator Howard. [LB497]

SENATOR HOWARD: (Exhibits 11 and 12) Good, we're on the same bill. Good afternoon, Senator Heidemann and members of the committee. For the record, I am Senator Gwen Howard, H-o-w-a-r-d, and I represent District 9. LB497 would place a ten-year moratorium on the statutory requirement that state agencies, the university, and the state colleges spend 1 percent of any appropriation for original construction on works of art. I want you to know that I really...I was really on the fence about introducing this bill. History will prove that I've always been a supporter of the arts and I've always cast my vote in support of the arts, but, as the committee is more than aware, when you really take a look at the budget picture and truly understand the drastic cuts that we have to make, as I know all of you do, requiring agencies and colleges to spend money on art seems a luxury we simply cannot afford. When we don't have enough money to adequately fund child welfare or state education and when we're furloughing state workers and increasing college tuition, we should not be spending \$62,000 on a rock garden or \$105,000 on a handblown chandelier, beautiful though it may be. How can I explain to the teacher who gets laid off that we do not have sufficient funds to keep him in the classroom but we're going to spend \$35,000 on a digital photo collage on ceramic tile? How do I tell the property owner in my district that her taxes are going up because we could not continue to fund aid to municipalities, but we're still mandating that UNO purchase sculpture to put outside the academic building near her house? And how do I reconcile the fact, and this is a true story I'm going to tell you, how do I reconcile the fact that a child in the system cannot get underwear that fits her because we don't properly pay child welfare lead agencies, but last year Peru State College bought a \$5,000 carved brick mural? My point is, in the current economic climate we simply cannot afford to continue to require these purchases of agencies, universities, colleges and, as the law is written, jails, not with general appropriations. If foundations want to find private donors who aren't having economic difficulties, this bill will do nothing to stop them. And in ten years, when the economy has fully recovered, we can spend our budget, our building budgets on watercolors and suspended stainless steel sculpture. Art is important, no denying that, but education, services, and basic infrastructure are essential. Thank you for giving me your time to listen to LB497. [LB497]

SENATOR HEIDEMANN: Thank you, Senator Howard. Are there any questions? Looks like you did a pretty good job. Just a second. Senator Nelson. [LB497]

SENATOR HOWARD: (Laugh) Almost there. Yes, Senator. [LB497]

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SENATOR NELSON: We're comparing children's needs to the needs of the art, and what is the, if you know, the budget of Health and Human Services? [LB497]

SENATOR HOWARD: You know, I can't give you that. You'd probably know better than I would, being in this, the math committee. [LB497]

SENATOR NELSON: Oh, okay. All right. Okay. [LB497]

SENATOR CONRAD: We're definitely not that. (Laugh) [LB497]

SENATOR NELSON: Thank you. [LB497]

SENATOR HEIDEMANN: Senator Hansen. [LB497]

SENATOR HANSEN: Thank you. Senator Howard, this is not going to stop anyone from donating art, would it? [LB497]

SENATOR HOWARD: No. And as a matter of fact, as far as I'm concerned, you're on the right track. I went to the opening for the Mammel Building down on the UNO campus a few months ago and one of the things that they're doing is offering artists an opportunity to bring their work in on a rotational basis. So everybody gets more exposure that way and I think that's a great idea. [LB497]

SENATOR HANSEN: Thank you. [LB497]

SENATOR HEIDEMANN: Senator Fulton. [LB497]

SENATOR FULTON: Perhaps there will be others to testify. Thank you, Mr. Chairman, and thank you, Senator. Perhaps there will be others to testify after who could answer this, but I'm curious whether the requirement of 1 percent of a capital construction project being...supposed to be earmarked for artwork, I wonder if any of that could be accomplished simultaneous to the architecture, the part of a design/build project that involves the architecture, laying out the project. Is it possible that this 1 percent can be accomplished under...I guess simultaneous? [LB497]

SENATOR HOWARD: You're thinking we wouldn't have the expenditure ourselves but it would be included in their project? [LB497]

SENATOR FULTON: We could give direction that this be a both and. I'm thinking outside the box here. I guess I've been in enough design/build projects where I know that a lot of times from the engineering standpoint we think that, and I'm not being facetious, I mean we just think that a lot of the architecture decisions are aesthetic in

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nature and don't really... [LB497]

SENATOR HOWARD: I see what you're looking at, the building itself could be pleasing artistically. [LB497]

SENATOR FULTON: Yeah. Yeah, so I mean... [LB497]

SENATOR HOWARD: And that's...I admire you for thinking outside the box. I hadn't considered that but... [LB497]

SENATOR FULTON: Is that possible? Does that fit under the intention of the original law? [LB497]

SENATOR HOWARD: You know there are...I think of Chicago and all the beautiful...Frank Lloyd Wright, I mean there are plenty of really beautiful buildings that are considered works of art, so I would encourage you to continue to think. [LB497]

SENATOR FULTON: Okay. Thank you. [LB497]

SENATOR HEIDEMANN: Any other questions? Senator Conrad. [LB497]

SENATOR CONRAD: Just for the record, Senator Howard, so I'm sure this wouldn't surprise you with your long history there, I'm looking at the state Legislator's Guide to State Agencies, and Agency 25, which is Health and Human Services, has a total budget, Senator Nelson, of \$2.6 million or actually \$2.8 billion in the '09-10 fiscal year. So it is of course a...that includes operations and aid and it's not just General Funds, but I think it's fair to say it's a substantial budget. [LB497]

SENATOR HOWARD: I'll pass that on to the foster child who doesn't have underwear that fits. Thank you. [LB497]

SENATOR CONRAD: And I don't want to disagree with your point there, Senator Howard, because of course you well know that budgeting is about priorities, but how much does your legislation anticipate to save the state? [LB497]

SENATOR HOWARD: You know, we'd have to look at the fiscal note back here and, you know, I don't know if I have that with me. Do you have it? You have to keep in mind that the savings would on the building so it would be sort of an individual...I mean if there are buildings that are projected to be built then there would be a savings involved, 1 percent of the cost of that. [LB497]

SENATOR CONRAD: Right, and... [LB497]

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SENATOR HOWARD: So it would determine...I mean it would depend on the cost of that. Oh, they said it was indeterminate because of the individual cost. [LB497]

SENATOR CONRAD: Okay. So I guess my point is I think that it's not really a values question that we have here. I think we all care about child welfare... [LB497]

SENATOR HOWARD: Absolutely. [LB497]

SENATOR CONRAD: ...and I think we all care about art and beautification, but it's not really fair to compare child welfare issues and these art issues because, even though every little bit does go into the same pot, it's just maybe more apples to oranges than it is apples to apples. [LB497]

SENATOR HOWARD: Well, I remember the challenge that was issued on the floor not that long ago: If you have a better idea about where we should be cutting, bring it forth. And that's what this is. [LB497]

SENATOR CONRAD: And that was in regards to the elimination of aid to local governments, which was over \$20 million a year, and I don't think this proposal--again, every penny counts--comes near that in terms of scope. Is that right? [LB497]

SENATOR HOWARD: It all adds up. [LB497]

SENATOR HEIDEMANN: Thank you. Will you close? [LB497]

SENATOR HOWARD: I'm sorry. I'm going to go back to Education because I've been absent all afternoon with other bills in the liquor...with Senator Karpisek's committee, trying to spit out. [LB497]

SENATOR HEIDEMANN: (Laugh) Thank you. [LB497]

SENATOR HOWARD: Thank you. Thank you, all. [LB497]

SENATOR HEIDEMANN: Is anyone else wishing to testify in support of LB497? Seeing none, is anyone wishing to testify in opposition of LB497? Welcome again. [LB497]

SUZANNE WISE: (Exhibit 13) Welcome. Thank you. Good afternoon, Senators. My name is Suzanne Wise, that's S-u-z-a-n-n-e W-i-s-e. I'm the director of the Nebraska Arts Council. The Nebraska Arts Council has been administering the state 1 percent for art program since its inception in 1978. We are in opposition to LB497. The program is not a burden on the state's budget deficit. Given the program's exemplary track record and the fact that the cost of administering the program is taken from the 1 percent allocation itself, we feel this legislation appears to be punitive in nature rather than an

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attempt to economize. One of LR542 recommendations forwarded by the Education Committee was eliminating 1 percent for art both for the University of Nebraska system and the Nebraska State College System. In each case, the fiscal impact of these recommendations was zero. This would be true for eligible projects undertaken by other state agencies as well. When the state budget is in trouble, major capital construction projects cease to be appropriated. The historic ebb and flow of the state's economy can be tracked by the 1 percent for art program. In the chart that I have distributed one can see the 1 percent for art expenditures from 1978 through the present. These numbers have a direct correlation to the capital construction budget. The chart also shows that the expenditure on public art rarely exceeds \$200,000 annually. I've heard concerns that the 1 percent for art program is a mandate. The program actually affects very few projects. First, the program exempts all construction or renovation projects that do not provide access to the public. Therefore, repair shops, garages, warehouses, and other such buildings are not eligible. For qualifying projects, there are other further deductions that the client agency makes before arriving at the figure used for art. The client agency is allowed to make a standard deduction of \$500,000 if the project is new construction or \$250,000 if a renovation project. In addition, deductions can be made for planning, land acquisition, and site work. Therefore, 1 percent for art is not mandated for all construction projects, nor is it mandated that the art must comprise 1 percent of the budget. Rather than expound on the virtues of public art, which are many, I will close my testimony in anticipation of any questions that you may have. [LB497]

SENATOR HEIDEMANN: Thank you. Are there any questions? Senator Hansen. [LB497]

SENATOR HANSEN: Thank you. It's good to have you back up again. [LB497]

SUZANNE WISE: Thank you. [LB497]

SENATOR HANSEN: What was the spike in 2010? [LB497]

SUZANNE WISE: Those were several projects that were primarily at the university. There were completion of buildings and often the 1 percent program doesn't kick in until the building is completed and then they do the commissioning of the art, so... [LB497]

SENATOR HANSEN: Was one of those the Quilt Center? [LB497]

SUZANNE WISE: The Quilt Center was privately funded; therefore, there was no 1 percent. [LB497]

SENATOR HANSEN: There was no 1 percent. [LB497]

SUZANNE WISE: Uh-uh. [LB497]

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SENATOR HANSEN: But the quilts are art. [LB497]

SUZANNE WISE: Absolutely. You bet. [LB497]

SENATOR HANSEN: I think so. [LB497]

SUZANNE WISE: I think so too. [LB497]

SENATOR HANSEN: Thank you. [LB497]

SENATOR HEIDEMANN: Senator Conrad. [LB497]

SENATOR CONRAD: Thank you for being here and thank you for the refreshments. [LB497]

SUZANNE WISE: Welcome. [LB497]

SENATOR CONRAD: Appreciate that. Sustenance, yes, there you are. But I just want to clarify for the record that...and I was trying to get to this point with Senator Howard and I know that she had to go to attend to some other duties, but being a veteran of this process I'm sure that you're familiar with the fact that there's a variety of different fund types and sources and they have various directions and purposes attached to them. And how we look at capital construction is a little bit different than how we look at our overall General Fund appropriated appropriations. Is that your understanding, kind of, of the process? [LB497]

SUZANNE WISE: Yes. [LB497]

SENATOR CONRAD: And so the repeal that Senator Howard proposes in her legislation is, number one, prospective in nature, right? [LB497]

SUZANNE WISE: Uh-huh. [LB497]

SENATOR CONRAD: So it doesn't save a penny in the budget currently, right? [LB497]

SUZANNE WISE: No. [LB497]

SENATOR CONRAD: Okay. And two, it's not as if any of those potential savings could then be transferred to, say for example, Health and Human Services or another agency, right? [LB497]

SUZANNE WISE: That's correct. [LB497]

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SENATOR CONRAD: Okay. Thank you. [LB497]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you. [LB497]

SUZANNE WISE: Thank you. [LB497]

SENATOR HEIDEMANN: Welcome. [LB497]

JAYNE HUTTON: (Exhibit 14) Good afternoon. My name is Jayne Hutton, J-a-y-n-e H-u-t-t-o-n. I am the artist services and communications manager for the Nebraska Arts Council. One of my responsibilities is to manage the Nebraska 1 percent for art program. I am speaking in opposition to LB497. The 1 percent for art program is not financed by an outside fund which could be accessible for other uses. This expense comes only from within certain construction project budgets which qualify under specific criteria. Fiscal control over 1 percent projects is already in place and functioning successfully through capital construction budget management. Downward trends in capital construction budgets and a focus on nonpublic projects directly reduce and eliminate 1 percent projects. This self-regulation is evident in the 1 percent budget time line which is included in the handout. In five of these years, no projects were realized. In 2011 the three projects that are currently underway are from 2009 and 2010 and are expected to be completed this year. Most significantly, there are no new 1 percent projects at this time. I would also like to briefly address the value of the 1 percent program to the state. It stimulates the local economy. Under the 1 percent law, regional artists are given preference. This ensures that Nebraska artists and the regional counterparts are provided jobs and income which, in turn, sustains the regional economy. Of the 544 artworks in the collection, 328 were created by Nebraskans with an additional 140 created by regional artists. Original and custom artworks provide added value. These works are tangible assets which provide a context for their environment, allowing occupants and visitors of the state buildings access to unique art which they might not otherwise enjoy. For example, students at UNL's Architecture Hall actively use the architect-designed furniture in their student lounge areas, providing a fully functional teaching tool at their disposal. The art in the veterans' homes at Norfolk and Bellevue enhance the homelike atmosphere in the residential areas. UNO's amphitheater installation provides a performance and gathering space for the campus community. The artwork can also honor and memorialize our citizens. In your handout you will see the painting, "Nebraska American Heroes" by Omaha artist Stephen Cornelius Roberts. This piece is located at the Norfolk Veterans' Home and depicts resident members of the home and others in the community who have served their country. In closing, the use of this small part of certain construction budgets provides us with a robust program that furthers the civic values of Nebraskans. Artwork of tangible and appreciable value is created for the public and is free for everyone to enjoy. It can

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serve as a teaching tool, an object of contemplation and beauty, a functional environment, a memorial, and more. And much of the work is crafted by Nebraskans and regional artists further supporting our communities. Thank you. [LB497]

SENATOR HEIDEMANN: Thank you for coming in today. Are there any questions?
Senator Conrad. [LB497]

SENATOR CONRAD: I have just a quick question... [LB497]

JAYNE HUTTON: Uh-huh. [LB497]

SENATOR CONRAD: ...in regards to the inventory that you passed out, and you said that you helped to manage this program for the state and its inventory. [LB497]

JAYNE HUTTON: Uh-huh. [LB497]

SENATOR CONRAD: Some of the pieces are identified as in need of additional confirmation, not found immediately on site on whatever. [LB497]

JAYNE HUTTON: Uh-huh. [LB497]

SENATOR CONRAD: I'm guessing that as people move or remodel, things are occasionally misplaced, but it seems like there were more of those than I expected. So would you just clarify what that indication means on the inventory? [LB497]

JAYNE HUTTON: It is...there are a couple of sites that we have where pieces have moved over time, some two-dimensional artwork has. There was a major remodeling project, for example, at UNO, it might be the Eppley Administration Building project you're talking about, where we have about two-thirds of the artworks that we are looking for. And I'm working with a facilities management group over there and we've found a few in other places on the campus and we are due to look through the gallery space on campus, too, where we think there may be some pieces. So, yes, sometimes because of the length of the time of the program and the fact that these pieces are mobile, they can move between condition assessments and we have to go looking for them. [LB497]

SENATOR CONRAD: Great. Thank you. [LB497]

JAYNE HUTTON: Uh-huh. [LB497]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB497]

JAYNE HUTTON: Thank you. [LB497]

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JOANN EMERSON: Hello. [LB497]

SENATOR HEIDEMANN: Welcome. [LB497]

JOANN EMERSON: Thank you. My name is JoAnn Emerson, J-o-A-n-n E-m-e-r-s-o-n, and I come here with three hats. I'm the executive director of Lux Center for the Arts here in Lincoln, I'm the incoming president of Nebraskans for the Arts, and I'm also a person who lives in this great state of Nebraska and is appreciative of the money that has been spent in the past to make sure that our buildings are pleasurable to be in. I'm deeply concerned about the long-term impact of LB497, especially it's decade-long reach. We all know how quickly our economy can turn. We could see great times next year and demanding times in our future. I've found a note written by Rodney Miller, an incoming president for what was akin to Nebraskans for the Arts in '03, and he was lamenting the same thing, that arts take...are the first to get the axe when times are tough and the least to rebound when times get better. So this law being in effect for ten years I think is very frightening to me. That's a decade worth of artwork that won't be created for public consumption. And while it is wonderful for artists' artwork to be rotated and displayed, artists do like to have their work shown but I can tell you they also appreciate getting paid for their labor, and it is labor. We have...excuse me. I'm a little nervous. I often hear or read about our business leaders concerned about the brain drain that we have here in Nebraska. Our young people are educated in our wonderful college system here and then they leave to find greater opportunities in other states. There's an equally...there's an equal danger in an artistic brain drain. We have some exceptional artists here in this state and I believe one of the lists that Suzanne or perhaps Jayne sent to you talked about some of the commissions of some of the actually world-renown artists that we have living and breathing and working here in Nebraska and who have presented their works, their souls for us to appreciate. I think that's no small gift. Part of my function at Lux Center for the Arts is to bring in young artists from around the country. They fall in love with the state of Nebraska and Lincoln in particular, but they're dismayed about the lack of opportunity here for them so they move along. I don't see that getting any better. With Nebraskans for the Arts, we've received many letters, many carbon copies of letters sent to Senator Howard, and all are dismayed and concerned about this, especially since there is no real fiscal impact of the bill right now. So in sum, I see the yellow light, enjoy your treats. You'll see the sweet spot in the middle and that's to remind you to please keep that 1 percent of your diet very sweet and that's the arts. [LB497]

SENATOR HEIDEMANN: Senator Hansen. [LB497]

SENATOR HANSEN: Thank you. Thank you for being here today. My comment earlier about donating art... [LB497]

JOANN EMERSON: Uh-huh. [LB497]

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SENATOR HANSEN: ...was certainly not from the artist directly... [LB497]

JOANN EMERSON: Uh-huh. [LB497]

SENATOR HANSEN: ...but the intent, what I meant to make, was that someone buy a piece of art and then donate it for a certain period of time and maybe with a plaque underneath it, that person donated that art. I did that last December at an office here in Lincoln that needed some art. I bought a piece of art and I donated it for four years, until I leave, so... [LB497]

JOANN EMERSON: That's wonderful. [LB497]

SENATOR HANSEN: I mean that's what I had in mind and not that the struggling artists don't need the money. I know, I realize they do, so... [LB497]

JOANN EMERSON: Uh-huh. [LB497]

SENATOR HEIDEMANN: Senator Nelson. [LB497]

SENATOR NELSON: I want to thank you for coming. And you've achieved a major accomplishment today because you made it all the way through with a hard committee and you did very well. Thank you for coming and your presentation. [LB497]

JOANN EMERSON: Thank you. [LB497]

SENATOR HEIDEMANN: Senator Conrad. [LB497]

SENATOR CONRAD: Just want to echo our gratitude for your appearance here today and I'd be remiss if I didn't note that the Lux Center is just barely, barely outside of my district in north Lincoln. It's actually in Senator McGill's district, but it is a real community and indeed statewide asset and they do a great job. So thank you. [LB497]

JOANN EMERSON: Thank you. [LB497]

SENATOR HEIDEMANN: Seeing no further questions, thank you. [LB497]

TIMOTHY GAY: (Exhibit 15) Good afternoon, Senators. I'd like to thank you for allowing me to testify today. My name is Timothy Gay, just like your erstwhile colleague. I'm a professor of physics at UNL. Over the last decade, I've served on two committees that picked art for new buildings at UNL as a result of the 1 percent for art construction rule. These committees acquire art for the Scott Engineering Center and the new home of the Department of Physics and Astronomy, Jorgensen Hall. I'll focus my comments on

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the latter building where I work. The art committee for Jorgensen comprised university architects, faculty and staff from the Department of Physics and Astronomy, and a representative from the Nebraska Arts Council, J.D. Hutton, who just testified. We distributed a request for proposals nationally specifically targeting artists who had extensive experience with art installations in modern buildings. Ultimately, we received about 130 proposals which were winnowed down to the three most-promising ones. Those artists were brought to campus for interviews. We selected the sculptor Ray King to produce two works for the interior of Jorgensen Hall. These are large, magnificent pieces. They're constructed from stainless steel and dichroic glass, and you've got pictures of them here--you've got pictures of one of the pieces--and have a fascinating interaction with the changing natural light conditions and artificial light in the main hall. As I walk through the building, as I talk to students or emerge from my classroom, these sculptures have been for me interesting, constantly new, and inspirational. They've made a building that is already good truly great. Put simply, this art has significantly improved the building and the quality of life for people who spend time in it. I am proud that this state...I'm proud to live in a state that's willing to spend the money to put up such a building and to pay for art to make the building even better. This idea of state pride is something that I hope is evident to all of you who work here in this wonderful Capitol. As Nebraskans, we are blessed with the best State Capitol Building in the country. I always tell visitors to Lincoln that if it's at all possible they should come here and take the tour. Even though this building was constructed in the depths of the Great Depression, the state legislators had the foresight to build it right, to commission an architectural gem and adorn it appropriately. The art in and on this building both entrances and inspires. Think about how your work environment would be different if your predecessors had constructed this building out of cement block and plywood alone. I was raised to believe that if something is worth doing, it's worth doing well. This holds for state buildings. If you decide that we do not have the money to undertake state construction of new buildings, no state money will be spent on art either, but I'm optimistic. I think our state will build new buildings sooner rather than later and, when it does, they should be done right. The 1 percent for art funding helps ensure that this will happen. Thank you for your attention. [LB497]

SENATOR HEIDEMANN: Thank you. Are there any questions? Senator Hansen. [LB497]

SENATOR HANSEN: Thank you for being here today. Who dusts that? [LB497]

TIMOTHY GAY: Pardon me? [LB497]

SENATOR HANSEN: Who dusts that? [LB497]

TIMOTHY GAY: That's a good...we worried about that. (Laughter) You can reach it with a long broom, Senator. [LB497]

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SENATOR HANSEN: I'd like to see that. Where is it at? [LB497]

TIMOTHY GAY: It's in Jorgensen Hall. Please, I'll give you the tour, please come see it. It's really impressive. [LB497]

SENATOR HANSEN: Okay. Thank you. [LB497]

SENATOR HEIDEMANN: Any other questions? Senator Nelson. [LB497]

SENATOR NELSON: I missed where Jorgensen Hall is. [LB497]

TIMOTHY GAY: I'm sorry. Jorgensen Hall is on the northwest corner of 16th and Vine, just north of the fraternity. The fraternity is actually on the northwest corner. We're immediately north of that, right across from the engineering center. [LB497]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB497]

TIMOTHY GAY: Thank you, Senators. [LB497]

SENATOR HEIDEMANN: Welcome. [LB497]

LITTLETON ALSTON: (Exhibit 16) Thank you. Good afternoon, Senators. My name is Littleton Alston. I am here to speak in opposition to LB497. [LB497]

SENATOR HEIDEMANN: Could you spell your name for us? [LB497]

LITTLETON ALSTON: L-i-t-t-l-e-t-o-n A-l-s-t-o-n. [LB497]

SENATOR HEIDEMANN: Thank you. [LB497]

LITTLETON ALSTON: You're welcome. I am a professor of sculpture at Creighton University as well as an artist. Some of my commissioned sculptures include works for the National Guard Armory in Kearney, the UNO campus, and recently the Charles E. Bessey bust for the Nebraska Hall of Fame in the Capitol Building. For every sculpture I complete, not only am I compensated for my work but I employ studio assistants, work with local contractors, and purchase materials from local suppliers. The 1 percent for art program stimulates the economy much like any other area of building and construction. I understand that in difficult economic times elected officials must make difficult decisions about cost-cutting measures. However, since the 1 percent program is only implemented when there is already a major building or renovation project or state-owned building, and such projects are likely to be postponed during tough economic times, then eliminating the 1 percent program does not...does little or nothing

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to save money for the state. I have lived in Nebraska for over 20 years. One of the pleasant surprises about this state when I first moved here was the high level of arts and culture available to our citizens. It's one of the reasons I stayed. The public art found in our state buildings and college campuses help to make a strong statement about Nebraska values, who we are, where we've come from, where we're going. The sculptures, the murals and other works of art help to tell our stories to our young people and to aspire all of us who call Nebraska our home. I urge you vote against this bill and keep the 1 percent art program. Do you have any questions. [LB497]

SENATOR HEIDEMANN: Thank you for coming before the committee today. Are there any questions? Senator Nelson. [LB497]

SENATOR NELSON: Thank you for coming today. I'm looking at your sculptures here and I'm interested in the fact that in each case over a number of years they've doubled in value. [LB497]

LITTLETON ALSTON: Uh-huh. [LB497]

SENATOR NELSON: How is that measured? [LB497]

LITTLETON ALSTON: Well, first off, it also depends on the artist and what they've done. I've established not only a regional but a national reputation and so my work has increased in value tremendously. That's not uncommon. By that I mean I don't know if any of you are aware of or any of you may be collectors, but acquiring good work, and these are bronzes, it's not uncommon for them to increase in value the amount of time between the work. I think the piece at the National Guard Armory is roughly ten years, and doubling is...I'm being modest. [LB497]

SENATOR NELSON: Thank you. [LB497]

LITTLETON ALSTON: Uh-huh. [LB497]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB497]

LITTLETON ALSTON: Thank you. [LB497]

SENATOR HEIDEMANN: Is anyone else wishing to testify in opposition on LB497? Seeing none, at this time we also want to put it into record that we received 30 letters in opposition and 24 e-mails in opposition to LB497. (See Exhibits 17-73.) With that, is there anybody wishing to testify in the neutral position on LB497? Seeing none, we will close the public hearing on LB497. Thank you. [LB497]