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Transcriber's Office

Urban Affairs Committee
January 24, 2017

[LB130 LB159 LB315 LB317]

The Committee on Urban Affairs met at 1:30 p.m. on Tuesday, January 24, 2017, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB130, LB159, LB315, and LB317. Senators present: Justin Wayne, Chairperson; Matt Hansen, Vice Chairperson; Sue Crawford; Sara Howard; Tyson Larson; Dan Quick; and Merv Riepe. Senators absent: None.

SENATOR WAYNE: We'll go ahead and open the Urban Affairs Committee hearing at 1:34. Good afternoon and welcome to the Urban Affairs Committee. My name is Senator Justin Wayne, I represent Legislative District 13, which is north Omaha, northeast Douglas County; I serve as Chair of Urban Affairs Committee. We'll start off by having members of the committee themselves and committee staff do self-introductions, starting with my right with Senator Howard.

SENATOR HOWARD: I'm Senator Sarah Howard, I represent District 9 in Midtown Omaha.

SENATOR RIEPE: I'm Merv Riepe, I represent District 12, which is Omaha, Millard, and Ralston.

SENATOR HANSEN: Matt Hansen, I represent District 26 in northeast Lincoln.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

SENATOR QUICK: Dan Quick, I represent District 35 in Grand Island.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford from District 45, eastern Sarpy County, eastern Bellevue, and Offutt.

SENATOR WAYNE: And committee clerk is Andrew Northwall, who will be assisting us. And also we have assisting us is our committee page, Brienne Hellstrom, from Simi Valley, California, who is a political science major at the University of Nebraska-Lincoln. This afternoon we will be hearing the following bills, four bills: LB317, LB315, LB159, and LB130. And we will be taking them in the order listed outside of the room. On each of the tables in the back of the room you will find a blue testifier sheet. If you are planning to testify today, please fill out one of those forms, hand it to Andrew when coming up. This will help us keep accurate records for the hearing. Please note that if you wish to have a position listed on the committee statement for a particular bill, you must testify during that portion of the bill's hearing. If you do

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not wish to testify, but would like to record your position on a bill, please fill out the pink sheet in the back of the room. We would ask you, if you would like to have handouts, please bring 10 copies, give them to the page. If you need additional copies, our page can help you with that and make more. Testimony for each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then we will hear from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will be given the opportunity to make closing statements if they wish to do so. We ask that you begin your testimony by first giving your name, first name and last name, spelling both first and last name. We will be using the four-minute light system. When you begin your testimony, the light on the table will turn green, at the yellow mark...or the light will turn yellow when there is one minute left, and it will turn red when it comes actually to wrap up to the end and I ask you to wrap up as soon as you can with your final thoughts. I remind everyone, including senators, please turn off your cellphones or put them on vibrate. And with that, we will begin today's hearing with LB317 with Senator Hughes.

SENATOR HUGHES: Thank you, Mr. Chairman, it's good to be back in the Urban Affairs Committee. Thank you, Senator Wayne, Chairman Wayne, members of the Urban Affairs Committee. For the record, my name is Senator Dan Hughes, that's D-a-n H-u-g-h-e-s, I represent the 44th Legislative District. I'm here today to introduce LB317. The city of Imperial, which is in my district, adopted assessments after the creation of a street improvement district for \$1.4 million project. Some of the assessments were challenged in court. The court determined that assessments were void in part because of a lack of special meaning and some issues with the minutes. After the court ruling, Imperial considered the possibility of the city reassessing the property by going through the assessment process again and correcting the errors identified by the court. In reviewing the statutes, Imperial discovered that a city of the second class or a village does not have the same authority as a first-class city, a primary-class city, or a metropolitan-class city to relevel or reassess a special assessment. In other words, all classes of cities have the authority to relevel or reassess a special assessment except cities of the second class and villages. This bill gives them that authority and levels the playing field. There are people behind me from the League of Municipalities that are here that could answer more specific questions, but I would be happy to try and answer any questions that you might have of me. Thank you. [LB317]

SENATOR WAYNE: Before we go on to questions, I would just like the record to note that Senator Larson has joined us. Senator Larson, we did self-introductions, you can introduce yourself at this point. [LB317]

SENATOR LARSON: Senator Larson, District 40, O'Neill. [LB317]

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SENATOR WAYNE: Any questions for Senator Hughes? Senator Riepe. [LB317]

SENATOR RIEPE: Thank you, Senator Wayne. My question is why now? Has this been festering for a lot of years or...? [LB317]

SENATOR HUGHES: No. I think my understanding, I do know there is someone coming behind me that can...but I think this just came to the attention. The city of Imperial has embarked on a housing development project and I think this probably just came up and was identified as an inconsistency in how cities of different classes and villages are treated in the state of Nebraska. [LB317]

SENATOR RIEPE: Do you think it would stand in the way of a bond issue or anything like that? [LB317]

SENATOR HUGHES: I could not answer that. I don't know. [LB317]

SENATOR RIEPE: Okay. Thank you very much. [LB317]

SENATOR HUGHES: Yeah. [LB317]

SENATOR WAYNE: Any follow-up questions to Senator Hughes? [LB317]

SENATOR HUGHES: Thank you. [LB317]

SENATOR WAYNE: Thank you. Now we'll turn to proponents. [LB317]

JOSHUA WENDELL: (Exhibit 1) Senators, my name is Joshua Wendell, J-o-s-h-u-a W-e-n-d-e-l-l. I'm an attorney, I rep with the firm McQuillan and Wendell of Ogallala, Nebraska, and we serve as legal counsel for the city of Imperial, Nebraska. And we're certainly able to, I believe, inform your opinions a little bit more about the specifics of our case. Just as a bit of background, the city of Imperial, Nebraska, is a community of a little over 2,000 people. It's very much a success story in southwest Nebraska in Senator Hughes' district. And we very much appreciate his taking the time to introduce this bill. The city is one of the few in southwest Nebraska, or one of the more successful ones, in terms of population growth. In the southwest corner of Imperial there's been a private development and that occurred...it was permitted to occur by the city without the installation of paved streets, due to the cost savings that were in effect. After a period of time, the residents of that neighborhood petitioned the city. By statute, it's permitted to

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petition the city to install all of the necessary infrastructure: sewers, drains, you know, curb and gutter, those sorts of improvements. The entire project, as correctly noted by Senator Hughes, was approximately \$1.4 million. Thereafter, despite several public notices, public meetings, there was two...there was a legal challenge to one of the assessments. The judge in the case found there to be two potential problems; one, as alluded to by Senator Hughes was some special meeting and minutes issues; and there was also an independent reason found with respect to problematic legal description as to a piece of real estate. The person that had the problematic legal description brought suit and at this point has invalidated the assessment. In the assessment that was invalidated was approximately \$30,000. I believe one of the reasons that we're bringing it to the Legislature through the League of Municipalities is small towns and villages, the infrastructure problems, or should I say challenges perhaps, are quite large for communities that don't develop very often, that don't do this very often. And also from the standpoint that these are quite large sums of money, you know, in excess of the city budget, to approve a couple blocks of real estate to lay down streets. So I believe it's important, you know, mistakes occur. The particular legal description that we had was on the edge of the city, was problematic for several reasons. There had been several owners, it had been platted and replatted; at the end of the day, it's not an excuse, it appeared to have been done incorrectly by the title researcher that was hired to do it. But at the end of the day, you know, it can be chaotic on the edge of the city with, you know, plats that had got put in back in the '50s when everybody thought everybody was going to have small plats, small lots on the edge of town. And now we have 20 or 30 lots maybe getting grouped into 1 lot for the purpose of development, together with, you know, transactions back and forth through the course of 50 years of individual lots and things like that. At the end of the day we feel the city, and I have a letter of support from the city, signed by the city administrator, as well as the city mayor, we're looking for clarification. Our office represents not only the city of Imperial, but also several villages, and I can tell you that, you know, whenever villages, you know, these small communities are attempting infrastructure, it is very much a problem for the cities. And getting these things paid for is always an aspect that's first and foremost on everyone's mind. With that, I guess I would go ahead and entertain any questions if there's any clarification that anybody needs. [LB317]

SENATOR WAYNE: Senators, any questions? Mr. Riepe, Senator Riepe. [LB317]

SENATOR RIEPE: Chairman Wayne, thank you. The question I have is in the letter it...I'm curious as to the implications for the "one property owner will not be required to make a payment." [LB317]

JOSHUA WENDELL: At that point that's the ruling of the court that the particular assessment as to the property owner that challenged it, with the problematic legal description, is currently that assessment is void as to that property. [LB317]

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SENATOR RIEPE: And will continue to be void? [LB317]

JOSHUA WENDELL: Yeah, until such time as this Legislature would permit the city to go back and do reassessments, that would be correct. [LB317]

SENATOR RIEPE: Okay, thank you. [LB317]

SENATOR WAYNE: Any other questions from senators? Seeing none, thank you for coming today. Any other proponents? Welcome to the Urban Affairs Committee. [LB317]

CHRISTY ABRAHAM: Thank you, Chairman Wayne and members of the Urban Affairs Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, and I'm here representing the League of Nebraska Municipalities. And I don't want to be redundant from the excellent testimony you've already heard, I just wanted to let you know that this is a league-supported bill that was unanimously voted to support this piece of legislation by our league board. Every other class of city except second class and villages have this authority now to reassess and relevy and we would just really like to have it for the smaller communities as well. And I'm happy to answer any questions you might have. And thank you to Senator Hughes, I meant to say that first thing. [LB317]

SENATOR WAYNE: Any questions? [LB317]

SENATOR CRAWFORD: I just wondered if you...this I know is the same language that's in the other statute as well, but just for our education and understanding the bill, I wondered if you could just tell us a little bit about what lines 13 and 14 mean on page 2 of the bill, where it talks about having this ability to assess without regard to the formalities, prerequisites, or conditions prior to equalization have been had or not. [LB317]

SENATOR WAYNE: Let me jump in real quick. For the record, that's Senator Crawford for those who are reading. [LB317]

SENATOR CRAWFORD: I'm sorry. Thank you, sorry. No, thank you. I'm sorry, I apologize. [LB317]

SENATOR WAYNE: Just in case, you know, in case somebody read it and they'd be like who asked that question. [LB317]

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CHRISTY ABRAHAM: I think that's a good question and obviously, you know, this is pretty standard language that's going in for all cities. But I think it's talking about that it's to make sure that the processes are all the same, that the formalities and the prerequisites and the conditions that all of those have been done in the same manner and, you know, in compliance with the law. [LB317]

SENATOR WAYNE: Any other questions, Senators? And the only reason I said that because I knew it was her voice, but I'm not sure who might be transcribing this who would know if it was her voice. So I wanted to make sure the record was clear. Any other questions? Senator Howard, sorry. [LB317]

SENATOR HOWARD: Thank you, Senator Wayne. Thank you, Ms. Abraham, for being with us, it's nice to see you again. [LB317]

CHRISTY ABRAHAM: Thank you, Senator Howard. [LB317]

SENATOR HOWARD: I was hoping, could you tell us do you know, are there other cities that have been impacted besides Imperial? [LB317]

CHRISTY ABRAHAM: That's a really good question, and I'm guessing there have been other cities. Again, you know, this came to us when Imperial had this issue and I'm guessing in other communities it's taken care of because they have the authority already to do it. But this is the first time, and I can only speak for myself, that I've heard about it in a second class or village. But there may have been others and I'm happy to find that out for you and get back to you. [LB317]

SENATOR HOWARD: Okay. That's great, thank you. [LB317]

CHRISTY ABRAHAM: You're welcome. [LB317]

SENATOR WAYNE: Any other questions? Seeing none, thank you for coming today. [LB317]

CHRISTY ABRAHAM: Thank you. [LB317]

SENATOR WAYNE: Any other proponents? Any other proponents? Seeing none, we'll move to opponents. Any opponents? Seeing none, any neutral testifiers? Anyone testifying in the neutral? Seeing none, we'll move to Senator Hughes on your closing. Senator Hughes waives closing. Committee clerk, do we have any letters for this one, for LB317? We do have the letter that we

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received today from the city of Imperial. Any other letters...just the one from the city of Imperial. Hearing none and seeing no other testimony or letters, I will close the hearing on LB317, Senator Hughes. [LB317]

SENATOR HUGHES: Thank you. [LB317]

SENATOR WAYNE: Thank you. We'll go ahead and open the hearing on LB315, Senator Murante. This is the hearing on LB315. Please state your name and... [LB315]

DYLAN FREDERICK: Good afternoon, Chairman Wayne, members of the Urban Affairs Committee. My name is Dylan Frederick, D-y-l-a-n F-r-e-d-e-r-i-c-k, I serve as legislative aide to State Senator John Murante. Senator Murante apologizes he couldn't be here, he had a family matter that he had to tend to. I'm here today to introduce LB315. LB315 was brought to our office by the city of Gretna and was drafted in collaboration with the League of Municipalities. Its purpose is simply to allow second-class cities the same abilities that first-class cities have in selling real property. It accomplishes this by mirroring the language that's used in statute for first-class cities and removing restrictions that they have, that second-class cities have, in selling property such as public auctions and sealed bid. The impact of the bill would allow second-class cities the same ability that first-class cities have in selling their property in a timely manner and would ultimately have fewer obstacles for them I would say. So with that, I would note that the city of Gretna and the League of Municipalities are still here and would be happy to answer any detailed questions you have about the bill. [LB315]

SENATOR WAYNE: Senators, any question for the introducer? Seeing none, we will start with proponents. [LB315]

JEFF KOOISTRA: Good afternoon, Chairperson Wayne and members of the Urban Affairs Committee. My name is Jeff Kooistra, K-o-o-i-s-t-r-a, and serve as the city administrator for the city of Gretna. While I am here today to speak in support of LB315 primarily on behalf of Gretna, I also represent the United Cities of Sarpy County, which includes the cities of Papillion, La Vista, and Springfield who also support the proposed legislation. We appreciate Senator Murante's introducing LB315 at our request. Several years ago, the city of Gretna acquired some property for the purpose of locating three to four future potable water wells for our community. At the time of the acquisition, the city only needed small areas for the wells, but the property owner required the city purchase their entire property. Since that time, we have constructed two wells on the site and will be installing two more wells on the site in the next few years. The balance of the property is being rented as crop ground. In the past three years the city has been contacted by developers who would like to build a subdivision on the balance of the property. The city has therefore put together information to help sell the property. The city followed the

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appropriate procedures in both cases to receive sealed bids on the property, but by the time we were able to get the proper notices out and contact potential bidders, these developers had moved on to other properties. Cities of the second class are required to sell property at public auction or by sealed bid. This bill would give cities of the second class and villages the same options as cities of the first class. These options are public auction, sealed bid, utilizing a real estate broker, or selling the property ourselves. We believe that if we could have utilized additional options as cities of the first class are allowed to do, we would have been able sell the property and create more taxable property within the corporate limits and create more jobs in the Gretna area. Thank you for your time and consideration this afternoon, we respectfully request that you advance LB315 as currently drafted. I'd be happy to try to answer any questions you might have. [LB315]

SENATOR WAYNE: Any questions from the senators? Senator Riepe. [LB315]

SENATOR RIEPE: Senator Wayne, thank you, Chairman. My question is this, is your potential buyer of the land that have the wells on them, they moved on to a less encumbered process? [LB315]

JEFF KOOISTRA: Yes, you know, they went through, bought from a private property owner and they didn't have all the...you know, they use a realtor and so they could just sell it. And we don't have that opportunity that, you know, as you know Gretna's growing and we have some developers, but they get kind of itchy and they want to keep moving forward and can't accommodate that unfortunately so. [LB315]

SENATOR RIEPE: So it would eliminate the disadvantage it's put on you right now. [LB315]

JEFF KOOISTRA: Correct, thank you. [LB315]

SENATOR RIEPE: Yeah, thank you. [LB315]

SENATOR WAYNE: Any other questions from senators? Senator Crawford. [LB315]

SENATOR CRAWFORD: Thank you, Chairman Wayne. And thank you for being here and testifying on the bill. So just to clarify, when you are selling buyer resolution, so the resolution will identify the conditions that will be followed by the city and the sale of that property. [LB315]

JEFF KOOISTRA: Correct. We would follow all the hearing requirements and notices as always. [LB315]

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SENATOR CRAWFORD: Right. That's what I was just wanting to have on the record that that sale process would have hearings and public record and vote. [LB315]

JEFF KOOISTRA: We have 30 days...excuse me, three notices, one each week; and then there's a 30-day waiting period then, in case there's a petition, we'd still follow those rule requirements. [LB315]

SENATOR CRAWFORD: For that resolution. Thank you. I appreciate that, thanks. [LB315]

SENATOR WAYNE: Any other questions? Senator Hansen. [LB315]

SENATOR HANSEN: Thank you, Chairman. Mr. Kooistra, can you walk me through, since this is an issue of timeline, at least in your instance, can you walk me through how long the sealed bidding process took you and how long your, rather how quickly, you expect maybe going a different route could be? [LB315]

JEFF KOOISTRA: The problem with the sealed bid process is, is that of course we put the notices out and stuff, but we also have to put together a lot more. A lot of information we have just a, you know, a date and a time that the bids have to be in by. And if the bidders aren't ready, potential buyers aren't ready at that time, they can't bid later. They have to submit their bids at a specific time, where with using a realtor we go through the legal process, put it up for sale, but then it's pretty much up for sale until we get some offer on the property. So it kind of opens that window a lot wider, so then if somebody's ready then we can maybe react a lot quicker to it because we've already followed all the hearing processes and notice requirements. And it just opens up that door a lot wider for us because it seems like we run into the problem...this area is what I call light industrial zone, and so we've had some interest in it, but we just can't react fast enough. In fact, one has moved on to another property I know of and we just want to be able to have that window wider for ourselves so. I hope I answered that. [LB315]

SENATOR HANSEN: Great. I think you did, thank you. [LB315]

SENATOR WAYNE: Any other questions? Seeing no other questions, thank you for coming today. [LB315]

JEFF KOOISTRA: Thank you very much. [LB315]

SENATOR WAYNE: We'll continue with proponents. Welcome. [LB315]

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LYNN REX: Thank you. Senator Wayne, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We really appreciate Senator Murante and his staff, their work on this important bill. This is an issue that's been discussed and debated by second-class cities and villages for some time and felt that this was just really time to address the issues. And Gretna was one of the latest examples, but it's been a longstanding issue. This would give second-class cities and villages the same authority, as already been noted, that first-class cities have; and let's just be clear, Lincoln and Omaha also have that. We have 30 cities of the first class and we have 117 cities of the second class and 380 villages in the state of Nebraska, for a total of 530 cities and villages. If you look on page 2 of the bill, just to kind of underscore here what the bill actually does, it's amending 17-503, which only relates to second-class cities and villages. Obviously on lines 7-10, actually 7-17, it's deleting the public auction or sealed bid requirement for second-class cities and villages and then also the exceptions that were there on lines 11-17. And Senator Crawford, in response to your question, lines 18-22 in Section 2 talk about the passage of the resolution, which still is there, requirement of three notices for three consecutive weeks. (3) on line 23 talks about the 30-day right of remonstrance, which is still there. And again, this mirrors 16-202 for cities of the first class. On pages 3, pages 4 it talks about the certification of those signatures by the county election commissioner. And then if you look on page 4 lines 15 to 17, so page 4 lines 15 to 17, this is not new language, this is in current law. "The election commissioner or county clerk shall deliver the remonstrance and the certifications to the governing body within 40 days after the receipt of the remonstrance" if there is one. In other words, they pass the resolution, there's a 30-day right of remonstrance period. If there is no, no one exercises that, then obviously the sale can proceed; but if they do exercise it, then you go through this process. And of course you'll note on lines 25 to 28, "The governing body shall, following the hearing, vote on whether or not the remonstrance is valid," based on what the certification say, "and shall uphold the remonstrance if sufficient valid signatures have been received." So then you go on to line 29, which talks about what happens in terms of the municipality itself in terms of what they can convey and what they can't. And on page 5, line 3, this is basically already current law, lines 3-7, talking about following passage of...it's a three-step process: (a) passage of the resolution; (b) publishing the notice, which still would be there for three times; and (c) I'm on line 4, page 5, "passing of the thirty-day right-of-remonstrance period, the property shall then be sold. Such sale shall be confirmed by passage of an ordinance." You'll note the new language on lines 8-14, this basically restates the exceptions to the current provision. So it's just a restating of that saying that real property owned by a city of the second class or village may be conveyed when such a property is (a), (b), and (c), same language that you have from page 1, "sold in compliance with the requirements of federal or state grants or programs; (b) is conveyed to another public agency; or (c) consists of streets and alleys." This issue has really been, again, a longstanding issue of second-class cities and villages and we appreciate your consideration in advancing this bill. I'd be happy to respond to any questions that you might have. [LB315]

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SENATOR WAYNE: Any questions, Senators? I have one. [LB315]

LYNN REX: Yes? [LB315]

SENATOR WAYNE: So just to clarify, this would treat all the classes pretty much the same. You said that the metropolitan and primary already have this similar provision. [LB315]

LYNN REX: Yes, they do. They have that flexibility, yes. [LB315]

SENATOR WAYNE: Any other questions? Seeing none, thank you for coming today. [LB315]

LYNN REX: Thank you very much. Thank you for your consideration and again, thanks to Senator Murante and staff. [LB315]

SENATOR WAYNE: Any other proponents? Welcome back. [LB315]

JOSHUA WENDELL: Senators, again, Joshua Wendell, J-o-s-h-u-a W-e-n-d-e-l-l. I'm testifying specifically on behalf of myself. I do represent several villages, as alluded to before. I would like to voice my support of this, I can give you one example very specifically. I believe on February 6, the first Monday of February, if you're in the market for property in down...or in Hyannis, Nebraska, we are...the village is marketing a house that was foreclosed. The village obtained title as the administrator of a federal grant program that wasn't complied with. There's already been one auction that has been unsuccessful, no sealed bids were received. And I believe that this opportunity would give villages, small villages and very thinly-traded markets where it might take a while to liquidate a property, a much broader opportunity and a better ability to get, shall we say, bang for the buck in terms of the village's ability to negotiate a good sale. The requirement to have a one moment in time, take all sale in small towns has been...I've seen it be problematic. And again, I'm not testifying on behalf of any villages, they have not approved this, but I think they would in the event that they knew that this bill was here before you guys today so. [LB315]

SENATOR WAYNE: Thank you, are there any questions? Seeing none, thank you for coming. Any more proponents? Seeing no proponents, we'll move to opponents. Seeing no opponents, we'll move to neutral testifiers. Any neutral testifiers? Seeing none; introducer, you may close. Introducer waives closing. No letters of record for this, so this will close the hearing on LB315. Now we'll open the hearing on LB159, Senator McCollister. Thank you for joining us, Senator McCollister. [LB315]

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SENATOR McCOLLISTER: Good afternoon, Chairman Wayne and members of the committee. I am John, J-o-h-n, McCollister, M-c-C-o-l-l-i-s-t-e-r, and I represent the 20th Legislative District in Omaha. I'm here to introduce LB159 at the behest of the city of Omaha. This bill would establish a payment schedule of at least 10, but no more than 20 years for special assessments over \$5,000 levied on property taxpayers in Omaha for improvements to streets, alleys, sewers, and sidewalks. The expanded time frame would make it easier for property owners, in conjunction with the city, to repay the cost of improving the designated infrastructure. In 1980, my wife, daughter, and I moved from a home in Dundee to a home in Loveland neighborhood. We moved to Loveland, despite the unimproved, third world, chuckhole-filled asphalt road in front of our house. About four or five years ago, the city quit maintaining our street and the approximately 300-lane miles of unimproved streets in Omaha. Recognizing some obligation to maintain these streets, the city of Omaha came up with a plan which entailed milling or grinding existing asphalt street then grading the milled surface. The result was essentially a gravel road, a dusty road subject to erosion and potholes. Not surprisingly, the conversion of our streets to gravel was a nonstarter with the residents along these streets. To remedy the situation, the city initiated a new evolving policy to deal with the unimproved streets situation. LB159 is an essential element in this street solution plan. Committee counsel, Trevor Fitzgerald, provided my office with a copy of AM22, the committee's technical amendment designed to clarify that the provisions in LB159 only apply to cities of the metropolitan class. I'm grateful to Trevor and the committee for noting this technicality and providing a remedy for it. I've also provided a map of my legislative district and you will see that this encompasses many of the areas that have these unimproved streets. It was a time when the city, after World War II, when the city did not force developers to bring the streets and the storm sewers up to standards. So as a result, we're now dealing with the problem some 40, 50 years later. I've also got some pictures that you can see of a street that is just down the street from my block, and this is Ridgewood. It's a busy street, no storm sewers, you can see the chuckholes developing, a variety of curbs or no curbs. And you can also see the last picture is a picture of the city truck applying the gravel that had resulted; and as you will also notice, the street is very subject to erosion, chuckholes, clearly an unacceptable situation. So this represents, I think, a good solution and I think many streets in Omaha perhaps have this same problem that we can deal with. Thank you. I'll answer any questions. [LB159]

SENATOR WAYNE: Senators, any questions for the introducer? Hearing none, we'll move to proponents. [LB159]

CASSIE PABEN: (Exhibits 1, 2) Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Cassie, C-a-s-s-i-e, Paben, P-a-b-e-n, and I'm the deputy chief of staff for economic development for the city of Omaha. I'd like to thank you for the opportunity today to discuss this issue with you and would also like to take the opportunity to thank Senator McCollister for introducing LB159 on our behalf. The use of special assessment districts for

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improvements of multiple types of public infrastructure, such as streets, sidewalks, sewers, or alleyways is common. The city of Omaha has utilized special assessment districts in the past and continues to do so today, most notably as it relates to neighborhood street improvements, and primarily for those streets that are considered to not be built to city standard. Currently within the city of Omaha, we have approximately 240 lane miles of such road, including alleys. The price tag to bring these neighborhood roadways up to city standard is approximately \$300 million. As the city works with neighborhoods to form an improvement district, the cost of the improvement to the property owner becomes one of the first questions we are asked. Currently, the property owners within the assessment district are responsible for 100 percent of the cost, depending on the type of district that is being formed, this could mean as much as \$25,000 or more per property owner to be paid within 10 years. As you might imagine, when a property owner hears the cost, it becomes quite a bit of sticker shock. For some individuals, this is an additional cost that is burdensome, and in some areas of our community this may be a cost that deters the property owners from having the improvement made. Under the direction of Mayor Stothert, the city of Omaha has made infrastructure improvements a priority. Upon evaluation of infrastructure needs, it has become clear that policy changes are needed. The city is currently working with an advisory group to craft what the city's new policy is, and actually Senator McCollister does sit on that advisory group with us. For the record, I have been on his street, as well as Ridgewood Ave that he previously described. But we're working on the policy as it relates to street or roadway improvement districts. This is one that will include a cost share with the city and the property owners and part of our goal is to make the policy more affordable and provide options for property owners. The extended length and time in which the assessment can be paid back, as LB159 proposes to do, will help make these improvements more affordable for more people and helps the city repair deteriorating infrastructure without asking the state for financial assistance. If there's any questions you have regarding the improvement districts, I did provide a copy of kind of the process that we go through with neighborhoods to form these improvement districts, as well as a letter from Mayor Stothert. I'd be happy to answer any questions. [LB159]

SENATOR WAYNE: Any questions, Senators? Seeing none, thank you for coming today. [LB159]

CASSIE PABEN: You're welcome. [LB159]

SENATOR WAYNE: Any other proponents? Welcome back. [LB159]

LYNN REX: Thanks, Senator Wayne, members of the committee. My name is Lynn Rex, L-y-n-n R-e-x, and I think the reasons for this bill have already been outlined. We appreciate Senator

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McCollister introducing the bill and the League would like to go on record in support of it. Be happy to respond to any questions. [LB159]

SENATOR WAYNE: Any questions, Senators? Seeing none, thank you. [LB159]

LYNN REX: Thank you very much. Thanks. [LB159]

SENATOR WAYNE: Any other proponents? Seeing none, moving to opponents. Any opponents? Seeing none, moving to neutral. Any neutral testifiers? Seeing none, introducer, closing. Oh, did he waive? [LB130]

TREVOR FITZGERALD: Yeah. [LB159]

SENATOR WAYNE: (Exhibit 4) Senator waives closing. We do have one letter of support that was handed out to committee members from Senator...I'm sorry, Mayor Jean Stothert. I believe that's the only letter of support we have and we'll include that in the record. Seeing nothing else, we'll close the hearing on LB159 and we will go ahead and open the hearing on LB130. This is a committee bill and Mr. Trevor Fitzgerald will introduce. [LB159]

TREVOR FITZGERALD: Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. For the record again, my name is Trevor Fitzgerald, T-r-e-v-o-r F-i-t-z-g-e-r-a-l-d, and I'm introducing LB130 on behalf of the committee; last time this year. LB130 is a technical bill designed to clean up the statutes that govern the annexation of sanitary and improvement districts, or SIDs. For the benefit of those members who are new to the committee, an SID is a type of limited purpose political subdivision that is unique to Nebraska, primarily utilized in urban areas to facilitate growth outside of municipal limits. SIDs are used to fund the cost to construct streets, sewers, and other infrastructure with the expectation that the SID will eventually be annexed by a nearby municipality. SIDs have the authority to levy property taxes, impose special assessments, and issue bonds to fund infrastructure constructions, with those infrastructure costs eventually being transferred from the developers to property owners within the districts. SIDs tend to be heavily concentrated in the Omaha metropolitan area. As of 2015, there were 321 SIDs statewide, of which nearly 80 percent were located in either Douglas or Sarpy County. Following Douglas County's 132 SIDs and Sarpy County's 123, the next highest county for SIDs is Cass County, which has just 8. When several changes to the process of SID annexation were considered by the committee in 2015 and 2016, it was discovered that the SID annexation statutes also contained references to the annexation of two other types of special districts: fire protection districts and road improvement districts. Since these districts are governed by different sections of statute, it could be confusing both for these districts and also for municipalities to determine which statutory provisions apply in the case of annexation.

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LB130 would simply remove any references to fire protection districts and road improvement districts from the SID annexation statutes and replicate current annexation provisions for those districts in the appropriate sections of statute. There are several individuals here to testify behind me, but I would be happy to answer any questions the committee may have at this time. [LB130]

SENATOR WAYNE: Any questions? Seeing none, thank you, Trevor. We will turn to proponents. [LB130]

JERRY STILMOCK: Mr. Chairman, members, my name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska State Volunteer Fire Fighters Association and the Nebraska Fire Chiefs Association in support of LB130. I think, you know, the committee is doing a good thing, separating out the three different entities. Here's just a couple of quick points. Throughout the language of existing law, the statutes refer universally to trustees: trustees of an SID, trustees of a street improvement district, trustees of a fire protection district. Fire protection districts members are board members, they're not trustees, so it makes sense to clean that part up in one example. Another example is within the string of using the three different political subdivisions in the existing law, it refers to the ability to pass special assessments. Fire districts don't have special assessments and another confusing term used in existing law. So it just makes sense. I appreciate the efforts of the counsel and the committee in pushing this out. And I'd be happy to answer any questions; but just in principle support of the measure. Thank you. [LB130]

SENATOR WAYNE: Any additional questions from senators? Seeing none, thank you for coming in. [LB130]

JERRY STILMOCK: Thank you, Senators. [LB130]

SENATOR WAYNE: Any other proponents? [LB130]

MATT SCHAEFER: Good afternoon, Chairman Wayne, members of the committee. My name is Matt Schaefer, M-a-t-t S-c-h-a-e-f-e-r, appearing today in support on behalf of the Eastern Nebraska Development Council, which is a group of home builders, accountants, engineers who are all involved in organizing and building out SIDs. We just wanted to be on the record in support of the bill today, so that's all I have. Thanks. [LB130]

SENATOR WAYNE: Any questions from senators? Seeing none, thank you for coming today. Any other proponents? Welcome back. [LB130]

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CHRISTY ABRAHAM: Thank you, Chairman Wayne and members of the Urban Affairs Committee. I am Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, representing the League of Nebraska Municipalities. And we too just want to thank this committee for making these good changes. As your excellent legal counsel told you, it really is not making a lot of substantive changes, but just sort of putting road improvement districts into the road improvement district sections and putting the fire improvement...or fire protection districts into their sections, which I think makes a lot of sense when folks are looking for those sections. They're not going to look in the SID sections, they're going to look in the fire protection districts. So it's a great bill and a great cleanup and we, the League, appreciates the work of this committee. I'm happy to take any questions. [LB130]

SENATOR WAYNE: Any questions from senators? I do have one question. Have you had a chance to see the city of Norfolk letter? [LB130]

CHRISTY ABRAHAM: I'm sorry, I have not. [LB130]

TREVOR FITZGERALD: It was cc'd to her. [LB130]

SENATOR WAYNE: It was cc'd, but I figured you haven't checked your email while you were sitting in here. [LB130]

CHRISTY ABRAHAM: I apologize, I turned my cellphone off, Chairman Wayne, as instructed. [LB130]

SENATOR WAYNE: I appreciate it. Just wondering if you had looked at yet and had any comment. But if you have anything after you look at it, please follow up with our office and we'll work with you on any issues that may come up from that letter. [LB130]

CHRISTY ABRAHAM: I would be glad to. Thank you for letting me know. I will definitely take a look at it. [LB130]

SENATOR WAYNE: All right. Any other questions from senators? Seeing none, thank you for coming today. [LB130]

CHRISTY ABRAHAM: Thank you. [LB130]

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SENATOR WAYNE: (Exhibit 1) Any other proponents? Any opponents? Any neutral testifiers? Hearing none, closing? Introducer waives closing. We do have a city of Norfolk letter that was emailed at the start of the hearing that we did pass out to the committee, which will be a part of the record. They are in supportive, but they do raise some things that we might want to discuss. Any other letters that we see? No. Well, that will close the hearing on LB130. And that will conclude the hearing for the Urban Affairs Committee today, so we'll close the public hearing. [LB130]