

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee March 5, 2019

HUNT: Thanks, Precious. Good afternoon, everybody, and welcome to your Urban Affairs Committee. My name is Senator Megan Hunt and I represent District 8, which includes the neighborhoods of Dundee and Benson in midtown Omaha. I serve as Vice Chair of the Urban Affairs Committee. And our Chairman, Senator Wayne, is out right now, but he'll be back really soon. So we'll start out with having members of the committee introduce themselves. And as the others come in, I'll have them introduce themselves as well, starting on my right with Senator Arch.

ARCH: Senator John Arch with Sarpy County, District 14.

M. HANSEN: Matt Hansen, District 26 in northeast Lincoln.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

WAYNE: Justin Wayne, District 13: north Omaha, northeast Douglas County.

LOWE: John Lowe, District 37: Kearney, Gibbon, and Shelton.

PRECIOUS McKESSON: Precious McKesson, committee clerk.

HUNT: Also assisting our committee are our pages Noah Boger from Valley, who is a political science and French major at UNL; and Katie Pallesen from Omaha, who is a political science and history major at UNL. This afternoon we will be hearing six bills, and we'll take them in the order listed outside the room. On each of the tables in the back of the room you can find testifier sheets. You'll find blue testifier sheets. If you're planning to testify, please fill one out and hand it to Precious when you come up, and then this will help us keep an accurate record of the hearing. If you wish to have your position listed on the committee statement for a particular bill, you must testify in that position during the bill's hearing. So we'll hear testimony proponents, opponents, and then people who are in the neutral capacity. If you don't want to testify but you want your position recorded on a bill, please fill out one of the gold sheets. Also, I'll note our Legislature's policy that all letters for the record must be received by the committee by 5:00 p.m. the day before the hearing. So any handout submitted by testifiers will also be included as part of the record as exhibits. We would ask that if you have any handouts you bring 10 copies for the committee. And if you need help making copies the pages can do that for you. Testimony for each bill will begin with the introducer's opening statement, followed

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by questions from the committee, followed by those of you who would like to speak in support or in opposition or in the neutral capacity on a bill, then the introducer of the bill will close and answer any more questions from the committee. If you come up to testify, please give your first and last name and spell them for the record. We'll also be using a four-minute light system today. So when you begin your testimony the light will be green. When it goes to yellow you have one minute left. When it's red we'll ask you to wrap it up. Since we have so many bills that we're hearing today we'll be firm on that red light. And I would invite-- remind everyone, including senators, to turn off the sound on your phones. And with that, I'll turn it back over to our Chairman Senator Wayne.

WAYNE: Thank you. First bill will be LB721, Senator Lindstrom. Welcome to your Urban Affairs Committee.

LINDSTROM: Thank you, Chairman Wayne and members of the committee. My name is Brett Lindstrom, B-r-e-t-t L-i-n-d-s-t-r-o-m, representing District 18 in northwest Omaha. Here to introduce LB721, a bill to provide for insurance eligibility for spouses and independents of deceased or disabled firefighters of cities of the first class. However, it was brought to my attention that the original intent of the bill was never to exclude anyone with this bill. So in your materials you should have an amendment that makes the appropriate changes to provide for all eligible spouses and dependents of deceased and disabled firefighters regardless of the status of the city or town that they're employed, employed by. The purpose of this bill is to provide coverage and care to firefighters who have either suffered disability or death in the line of duty. The eligible, eligible individual would be eligible for the same health coverage benefits as those who are actively employed. Once eligible for Medicare the eligible would cease-- eligibility would, would cease, excuse me. This bill would also, also provides for healthcare coverage for a surviving spouse and dependents of those who suffer a death in the line of duty. As most of your aware, healthcare coverage is a costly and-- a costly expense and as a disabled-- disability occurs, excuse me, the cost increases tremendously. This bill would help to close the gap in coverage and assist in alleviate, alleviating the burden of those healthcare costs of those who lie their safety and lives on the line. And with that, I'll be happy to take any questions and thank you.

WAYNE: Any questions from the committee? Seeing none, thank you. Are you staying for close?

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LINDSTROM: Yeah.

WAYNE: OK.

LINDSTROM: Thanks.

WAYNE: Next we'll take proponents. Welcome to your Urban Affairs Committee.

DARREN GARREAN: Chairman Wayne, members of the committee, my name is Darren Garrean, D-a-r-r-e-n, last name G-a-r-r-e-a-n. I am president of the Nebraska Professional Fire Fighters representing 13-- approximately 1,300 firefighters from Scottsbluff to South Sioux City to Beatrice and everywhere in between. The, Senator Lindstrom stated the intent of the bill is to fill the gap of a disability benefit applicable to firefighters in the state Nebraska where the firefighter would become injured; disabled; or God forbid, died in the line of duty performing the duties of either firefighting, EMS, things of that nature. So the intent of this is to allow, whether it's the firefighter to obtain the ability to get insurance in the group rate that is currently being provided by those firefighters; or again, in the God forbidding chance that the individual died, their family would be able to do that. So what happens is if somebody got injured or died that insurance basically ceases. This would allow the ability to obtain that same group rate that has been provided for the other firefighters within that city, municipality, whatever. The ability to buy insurance at a group rate, we all know there is a benefit to that as opposed to just going out on the open market. So the intent of this would be the city that has, has employed whoever this is we feel should have some obligation to provide the ongoing care for that, either that individual or their family members, God forbid like I said, that person should die performing their duties as a firefighter or emergency medical service technician. Just to get into to the issue about cost. This isn't necessarily the windfall or, or the chances of something like this happening are relatively small. But for cost-wise we'll talk about Fremont, for instance. Fremont has a top firefighter wage of about \$4,700 a month. And if, if they become disabled they're entitled to about 50 percent of that, which would be about \$2,300 per month. That group rate of their COBRA for their insurance for a family member is \$2,300 a month. So it's not like they're going to be out being able to provide for their family based upon that \$2,300 a month because that entire bid is going to be going to healthcare. But that \$2,300 even getting the healthcare might be at a reduced rate if they went to the open market to provide insurance for their family. So, so

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that's the intent of this. There was a bill in the 105th Legislature a couple years back that was to allow firefighters, police officers that if you got injured in line of duty of an assault that you not get dropped your insurance. This is, this is kind of opening that up and broadening to all firefighters for any line of duty injury or death. The other thing I wanted to kind of point out is there was an ordinance that was introduced by a city of Grand Island that basically would force anybody to obtain insurance. Like, if I'm a firefighter, my-- my spouse could get insurance through her employer. She could not, I could not get the employee family rate. She would have to go out and get that on her own. In this situation here, again, I feel that the if, you are doing the duties of firefighting and providing a service to the citizens of that city, there should be an ability to maybe take care of those people after they got injured doing their, their profession. That being said, I open. Please ask me some questions, or if there's some specifics about this I realize it's kind of an open-ended "what if." But ideally we don't want something like this to be needed, but unfortunately in some cases it might be.

WAYNE: Any questions from the committee? Senator Arch.

ARCH: Just a couple of questions. Thanks. Thanks for coming. Do you have any idea right now if this were, if this were enforced how many would qualify?

DARREN GARREAN: I don't have the specific numbers because it would be something new as far as the ability to use it, and then how many of those people would enact upon that.

ARCH: Right.

DARREN GARREAN: So as far as actual hard numbers, I could look into that and see as far as the possibility of who might do it. But I don't think it's a very large number. And then, then there, again, of who would actually enact upon that would be something different.

ARCH: OK. And just one other question. I'm not, I'm not familiar with the terminology. What-- the bill calls it duty-related or in the line of duty. What does that really mean?

DARREN GARREAN: So let's say I show up to work at, at 7:00 in the morning and my duties of going to either a fire or heart attack call or car crash. Let's say I injured my, my leg got cut off for some reason-- I'm just using that as an example. Well, during my duties

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performing whatever it was, in the loss of my leg I became disabled to where I could no longer perform function, firefighting or whatever. So that would be a duty-related because I was performing the act of-- whether it was firefighting or, you know, like I said, a heart attack or a car crash. So that, that would be the duty-related as opposed to if I wasn't at work and I got in a car crash on my day off and I lost my leg. That would not be duty-related. So this would be specific to anything that was related to doing the work.

ARCH: At work.

DARREN GARREAN: Yeah. In this case for that for the safety of whatever.

ARCH: OK, thank you.

WAYNE: Any other questions from the committee? Senator Lowe.

LOWE: Well, thank you, Chair. And thank you for what you do for your city.

DARREN GARREAN: Appreciate that.

LOWE: I appreciate, I appreciate all firefighters. Would this take in effect the volunteer firefighters?

DARREN GARREAN: This, this specific, the way that it's worded, is not because the healthcare group rate would be as an employee. So, for instance, a volunteer is not getting a healthcare coverage from the city like on a monthly or yearly rate type deal. That, I think, would fall under a separate work comp issue for a volunteer firefighter. This would be specific to, like, me or my family being able to gain access to the pool for all of the employed firefighters. So all of the employed firefighters have that group rate coverage allowing me access to that at that group rate. As opposed to, I think, what you're asking is if I got injured in the line of duty as a volunteer. That would be work comp related under, under a different arena. So this, this would just be allowing me to access a group rate coverage for me or my family if I got injured. Not necessarily the care of, of the disability. I don't know if that, does that make sense kind of? Or I guess, can I explain it better? I don't know.

LOWE: Well, yeah, I know Kearney has a volunteer fire-- firehouse. And so they would not be covered through the city on this?

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DARREN GARREAN: Because they are not receiving healthcare coverage from the city. So those, those volunteers would be covered, for instance, if they got injured under a work comp, to my understanding. But they are not getting health coverage for their families, for instance, to take care of their, their wife or children. Or, like if I got sick, to go into the doctor as opposed to if it was a work-related injury. So that they are kind of different in that, that situation.

LOWE: All right, thank you.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here.

DARREN GARREAN: Thank you. Appreciate that.

WAYNE: Any more proponents? Any opponents? Welcome to your Urban Affairs Committee.

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're here today respectfully opposing LB721. We have great empathy for the firefighters and others that serve our cities but we are concerned about the cost of this measure, the precedent of this measure, and also how this would apply to other employees, whether it's police. I know this bill doesn't, but police, utility workers which are probably the highest in terms of getting injured on the job, and other sorts of things. And Senator Lowe, in terms of Kearney, even though there are, depending upon to whom you speak, 8 to 10 paid fire departments in the state, Kearney would be considered a department that's blended. So you have some paid employees. I don't know whether or not some of those paid employees are under-- if they're full-time paid employees in Kearney, they will be under that healthcare program. One of the things I would like to underscore is that I think it would be important at some point to have maybe a joint study by this committee along with the Retirement Committee to interface some of these other programs and how they fit together. For example, in trying to do some preparation for this hearing, one of our city administrators and staff who work a lot in this area and do comparability work for first-class cities across the state, indicated that in addition to the first-class cities which, again, 8 to 10 full-time departments; plus another 4 or 5 in the first-class cities. Of the 30 first-class cities in the state of Nebraska that have a blend like Kearney does, another four to five and second-class cities that would basically fall under this category as well if they wanted

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to broaden it. That being said, I've learned this morning something about what it cons-- what constitutes lasering out. Some of you may already know this, I did not know what that term meant. And so basically for cities like Norfolk, Nebraska, that self-insure on healthcare what happens with them is that when they go out for bid on their reinsurance level, which they basically have \$80,000 per employee which they self-insure, and they've been doing this for many, many years. It's called and LB167 plan, most municipalities in the state of Nebraska do that. But what happens with them is this is the insurance industry's way of basically going around the prohibition against having preexisting conditions. So they laser out employees. So someone with a disability is lasered out and so then you go out for a healthcare bid based on that. And they were fortunate enough to get a bid that did include one of their individuals that had been disabled. So in any event there's a lot of complication with this. I think it's way above my pay grade to walk you through it. But I do think that something like this, if you, if you do intend to proceed, it would be important to partner with the, with the Retirement Committee to look into all the aspects of this. It is very, very costly. And if it was to apply to volunteers, I can just assure you it would be cost-prohibitive for the second-class cities and villages across the state. And that being said, I just, I'm always reminded that for those of us that live in Lincoln, Omaha, or those 8 to 10 first-classes with paid departments and others, that when you go out across the state of Nebraska and if something happens on I-80 or a highway or if you're traveling in one of our cities villages it will be a volunteer that picks you up and helps you. And, you know, just give a lot of respect to those folks that do that too. And of course the folks that do this on a regular basis as paid firefighters. That's something I would certainly never have the courage to do, so I appreciate that as well. So we're here respectfully opposing this bill. In our view it is cost-prohibitive. And right now, just as a reminder, of the 529 cities and villages in the state in Nebraska, of those 213 are already up against their maximum levy limit. Of those, over half of them cannot even raise the 2.5 percent lid on restricted funds that you allow them to have to spend. So there are very restrictive, very tight restrictions right now in terms of levy limits and lids on restricted funds. With that, I'm happy to respond to any questions that you might have.

WAYNE: Any questions from the committee? Seeing none.

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ARCH: I have one.

WAYNE: Oh, sorry, Senator Arch.

ARCH: Did you say that the police are currently not covered like this?

LYNN REX: Well, my understanding is they're not, no. In other words, they don't have, I mean, there-- for example, there are disability provisions in the law already on the worker's comp side. I know as Chair of the Business and Labor Committee--

ARCH: For the individual, for the employee?

LYNN REX: For the individual, yes. For the individual, yes. And in addition right now, currently, the individual firefighter, just like a police officer, it is my understanding would be that they would be eligible for up 180-- or pardon me, yeah, 180-- 18 months rather. Eighteen months of COBRA. And the spouse would be eligible for up to 36 months depending upon all the conditions and everything else that could come into play on the COBRA side. So there are other ways in which there is compensation provided. But I think whenever you're dealing with any of these situations you probably can't have enough coverage and enough security to try to address those kinds of needs. That being said, I just wanted to underscore the fact, too, that municipalities are under extremely tight lids and levy limits. And in the past, efforts that we've had to try to liberalize those, even for law enforcement to fight meth, we couldn't even get those bills out of the Revenue Committee.

ARCH: Thank you.

LYNN REX: You're welcome.

HUNT: Thank you Senator Arch. Any other questions from the committee? Seeing none, thank you, Ms. Rex.

LYNN REX: Thank you very much for your courtesy.

HUNT: Any other opponents for LB721? Seeing none, anybody here in the neutral capacity? Seeing none, Senator Lindstrom, you are invited to close. And we have no letters on this bill.

LINDSTROM: Thank you, Vice Chair Hunt and members the committee. And this is-- and I appreciate the testimony today, and maybe it is something that we can look at as far as a study. You know, sitting in

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Retirement Systems, it often comes up with the volunteer aspect of it. We have a DC plan, defined contribution, for those folks and, and defined benefits for the others. And so there is a difference between some of those and that comes into the health care as well. So if the committee would be open to that we could maybe look at a, a study. So I appreciate that. Again, I'd be happy to answer any final questions. But happy last day of hearings.

HUNT: Thank you, Senator Lindstrom. Any questions from the committee? Seeing none.

LINDSTROM: Thank you.

HUNT: Appreciate you being here. That will close our hearing on LB721. Next up today we have LB564 with Senator Bolz. Welcome to your Urban Affairs Committee.

BOLZ: Thank you. I don't believe I've ever presented to the Urban Affairs Committee before so--

HUNT: I'm so glad you're here today.

BOLZ: Thank you. I am Senator Bolz, that's K-a-t-e B-o-l-z, I'm here to present LB564. For those of you new to the committee, this bill is about the Civic and Community Center Financing Fund which provides grants of state aid for the development of civic, community, and recreation centers. Also eligible are historic buildings specifically to assist in the conversion, rehabilitation, or reuse of buildings on or eligible for listing on the National Register of Historic Places. The Nebraska Department of Economic Development administers and awards these funds to encourage and foster quality of life in our community. It's an annual competitive program. This year in your primary preliminary budget recommendation from the Appropriations Committee we authorized an additional \$1 million per year in spending authority to the fund. And that is because the Legislative Fiscal Office and the Department of Revenue forecasts that the funds will be increasing for this purpose. Approximately \$4.276 million in the current fiscal year and growing to \$4.6 million in the next fiscal year. The additional dollars, the need for flexibility, and my interest in community development are what bring you-- bring me to, to bring LB564 to you today. Essentially, LB564 adds some flexibility to the purposes of the Civic and Community Center Financing Fund. First, it expands the purpose of the grants to include civic centers, historic buildings, or districts and public spaces. It's a little bit nitty gritty, but it

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removes the qualifier of primarily for civic centers and more clearly opens up the possibility for facilities that are multi-purpose by nature. For example, a recreation and wellness center that includes child development facilities. And I think increasingly, especially in our rural commun-- communities, we're looking for those multifaceted facilities that serve dual purposes. It also allows the grants to be provided to partnerships between municipalities and nonprofits and broadens some of the geographical restrictions. While 100 percent municipal ownership for projects can sometimes limit flexibility and, instead, we'd offer that we can catalyze new projects and new ideas if we allow for some of those partnerships. And it also allows for cities of the first or second class the ability to provide grants to projects within the municipalities extraterritorial zoning restrictions, which is language that's more familiar to you all than to me, but basically allows for a little bit broader geographical reach. The amendment provides a couple of clarifications. One is that the grant funds that would be given for the purpose of historical districts would be reviewed by the State Historical Preservation Office. That was a request they made to me and I think it's reasonable. And the second is just a small clarification-- sorry, I have the amendment in my hand. I'll pass that out to you if there's a page. Sorry, Trevor. The second is that a small tweak to the language around who is eligible for the grant and how that application should come together. To receive the grant, a grant a project "shall involve an eligible facility that is owned by the municipality applying for the grant" or an eligible facility that is owned by a nonprofit entity or county. In all instance the municipality is the applicant for the grant of assistance and over 50 percent owner. So, so those clarifications are added in the amendment. And the reason for that is that it was brought to my attention that there may be a question about allow-- the authority to lend the credit of the state. In other words, it should be clear in this legislation that the municipality is the over 50 percent owner and is the lead applicant. And that's how we manage the recognition that we do need to make sure that these are majority municipality projects. So with that, I'd be happy to answer any questions and I appreciate your attention.

HUNT: Thank you, Senator Bolz. Any questions from the committee?

HUNT: Senator Arch.

ARCH: How are present grants funded? Where, where are these dollars?

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BOLZ: You mean what is the funding source?

ARCH: Yeah.

BOLZ: The Civic Center and Financing Fund is sales tax from an area in which there is a civic center. So if there's-- if there's a project in the community and it's drawing a crowd, some of those expenditures flow back into those finances.

ARCH: Thank you.

HUNT: Thank you, Senator. Arch. Any other questions from the committee? I have a question. Can you-- I just think this is so interesting. Can you tell me a little bit about the background and that made you bring this bill, that led you to see this problem to correct?

BOLZ: The, the major reason that I brought this bill was this summer a small group of stakeholders worked with the Center for Regional Economic Competitiveness, which is a nonprofit think tank, and their real purpose was to help us think through our economic development strategies. But they gave us a very broad-reaching report. And one of the recommendations in the report was that we think about economic development and community development as hand-in-hand. And so if you want to grow jobs and you want to grow your work force you also want to grow what your community has to offer. And so one of the recommendations in that report was that we expand our state's commitment to facilities that have multiple purposes: recreational centers, work force hubs, those kinds of things. I'd be happy to provide the committee the report. It's, it's a little bit of a hefty read. So we can send it your way.

HUNT: Would you say that it's true that, in the spirit of the original bill, when we talk about community and recreation centers it seems to me like that the original intent was probably to include places like this or that serve a community. And does this just define that further, this first part of the amendment that I'm looking at, that I heard you talk about?

BOLZ: That's what I would argue. I wasn't here when it was first passed, and there may be some testifiers who, who were and could speak more to the original intent. I, I guess a way to answer that question is I think it is within the spirit of the statute. I don't know that when the bill was originally passed you necessarily had a vision for

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places like Cause Collaborative here in Lincoln, which is a co-working center. When the bill was originally passed, passed was wireless internet a thing? And did you work in a coffee shop in the same way? So I do think that there is maybe some flexibility that's keeping up with modern times.

HUNT: OK. Thank you, Senator Bolz. Any other questions? Senator Briese.

BRIESE: Thank you, Vice Chairman Hunt. Thank you, Senator Bolz for being here. And so the amount in the fund is at the discretion of the Appropriations Committee essentially?

BOLZ: Sort of. So when we have cash funds which are funds that come from a nontaxing source, basically; for example, we have cash funds that we approve from the brand committee from the fees that are associated with branding cattle. We give authority for the overall amount that an entity can spend based on how much money is flowing in, and that money is flowing in through a statutorily-established purpose. That may have been more of a long-winded answer than you are looking for. The point is that we put a cap on the amount of money that can be spent based on the revenues that are coming in. And because revenues are coming in really well with this initiative we increase that cap, which means there is more resources for community development.

BRIESE: OK. And unused funds there can be collected by the Legislature to toss back into the General Fund?

BOLZ: That is an excellent question. I don't believe so. I don't think that the, I don't think that these funds can be transferred to the General Fund. I'll check that for sure, but I don't recall us doing that in the past. And I'm not 100 percent certain, but we can check for sure. My initial answer is I don't think so.

BRIESE: OK. And this, somewhere in the fiscal note, I think, indicated or suggested that this would create additional competition for these funds. I think it's only fair to assume that it would, right?

BOLZ: I think, I think so. Yeah.

BRIESE: Thank you.

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HUNT: Thank you, Senator Briese. Any other questions? Seeing none, will you be staying to close?

BOLZ: I'll stick around.

HUNT: OK. Thank you, Senator Bolz. We'll move on to proponents for LB564. Thank you for moving to the front of the room if you plan to testify. You can do that too. Welcome to your Urban Affairs Committee.

HANNAH YOUNG: Thank you, again, very much. Good afternoon. My name is Hannah Young, H-a-n-n-a-h Y-o-u-n-g, and I'm the public policy manager at Nonprofit Association of the Midlands. Our mission is to strengthen the collective voice, leadership, and capacity of nonprofit organizations to enrich the quality of community throughout Nebraska and western Iowa. NAM, in short, has over 575 nonprofit organizational members across the state and serves nonprofits of all sizes and missions. We advocate for the nonprofit sector as a whole and do our best to represent those nonprofits. We would like to voice our support for LB564. Specifically we are in support of creating more private/public partnerships that include nonprofits throughout the state. Nonprofits are viewed as trusted resources in communities and should be included when considering this grant funding. Increasing public/private collaboration can lead to more creative and trusted projects in communities that need them the most. Expanding the shared ownership arrangements to nonprofit is mutually beneficial to the community and the nonprofits and overall makes sense for our state. For those reasons, NAM voices its support for LB564. Thank you for your time and I'd be happy to take any questions.

HUNT: Thank you so much for being here. Any questions from the committee? Seeing none, I appreciate your testimony.

HANNAH YOUNG: Thank you so much.

HUNT: Any other proponents for LB564? Welcome to your Urban Affairs Committee. And I'll turn it back over to Chairman Wayne.

WAYNE: Thank you for being here.

SUZANNE WISE: Good afternoon, Chairman Wayne, Vice Chair Hunt. I'm Suzanne Wise, I'm the director of the Nebraska Arts Council, and I am very much in favor of amending the Civic and Community Center Financing Act to be more inclusive in its definitions. When I and my staff were out and around the state conducting grant workshops and

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promoting our grants and services to those who have not used them before, inevitably the first thing people ask is: We have this old bank building in town that we'd like to renovate into a performing arts facility. Do you have grants to help us with that? I always regret that I have to tell them, unfortunately, no. Our agency distributes approximately 600 grants annually across Nebraska but they help cover arts programming costs only. The reason for this is that our grant budget is just a tad over \$1.4 million, which is not nearly enough to assist communities with capital construction in addition to supporting programming requests. I can name a number of communities that have a vision for repurposing a historic building for a cultural center that includes performing space; exhibition space; spaces for classes, such as dancing or art making. And in talking to community leaders I hear over and over again that private sector funders have been identified but that they're having trouble putting together a complete financing package. And I'd like to cite just two examples. Recently the Post Playhouse, a summer theater rep company that performs at Fort Robinson, decided to buy a building in nearby Crawford that has a population of about 950 people. They want to renovate the building to create another theater space for performances. They believe that bringing this attraction to Crawford will provide some much-needed economic development. The people in charge of the project have a good sense of project management and understand the financial risk, but they do not have enough resources to put a viable construction budget together at the moment. Just recently a proposed project in the Sandhills community of Rushville won a Progressive Architecture Award from the American Institute of Architecture, and I'd like to quote the citation. This is in quotes, Art and agriculture may seem like strange bedfellows but in the ranching community of Rushville, Nebraska, population 873, the nonprofit Sandhills Institute believes that forging connections between the two can help preserve the area's cultural fabric. Its new hub will be The Grocery, a hybrid arts and community center that will host everything from exhibitions to community meetings and house artists in residence. The new center comes by its name honestly. Omaha, Nebraska-based Actual Architectures design brings new life to a defunct mid-century grocery store, stripping back the structure to its essentials to make way for gallery, gathering, and workshop spaces plus an office and a café. The new wood and steel tower at the building's north end will serve as the location for apartments to host two to three artists in residence. Outside local ag students are collaborating on a community garden. So these are just two examples of things that the arts community across the state would really like to

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get going if they had a little more help in terms of putting together a financial package.

WAYNE: Thank you for-- thank you. Any questions from the committee? Seeing none, thank you for being here today. Any more proponents? Welcome back.

LYNN REX: Thank you. Senator Wayne, members the committee, my name is Lynn Rex, representing the League of Nebraska Municipalities. And if a page would come forward, please, I forgot to walk these over to you. I have two handouts for you. One would be a list of all the grants since the inception of the program, plus a handout, kind of a report on the CCCFF plan itself. And we come here today in support of most of the provisions recommended here, but also indicating that we do have some concern about one of the provisions here relating to nonprofits. And that's because the constitutionality issues. But we do think that there may be ways to work with them. We certainly want to work with them and partner with them. A little bit of background for those of you that are newer to the committee, the CCCFF was put in play when the Nebra-- when Omaha came to the Legislature it wanted to get funds for the Qwest Center then, which was transformed to CenturyLink and now CG-- whatever, whatever. CHI Health whatever. Whatever they are now, I'm sorry. But in any event, it was the Qwest Center. And in order to get that Senator Ashford and Senator Landis, who is in this room today, were the ones that came up with a very innov-- innovative way to get the votes to get that done to have state throwback sales tax. And that would be to have the state sales tax from the surrounding area go to help pay off the bonds for the Qwest Center. And how do you do that? How do you get the votes through the Nebraska Legislature? So Senator Landis and Senator Ashford came up with a strategy that would save basically 30 percent of those throwback sale-- throwback, throwback sales tax funds would go into the CCCFF so that other communities could access those. And if you look at this handout what you're going to see is a long list of outstanding programs all across the state of Nebraska that have been funded through this program very competitively. Recently the Nebraska Legislature increased the maximum amounts that are allowed for those municipalities that are able to access those grants. The municipalities that cannot access those grants would be Omaha, Lincoln, and Ralston because those are the three entities with arenas that create this fund. And the 30 percent fund is there. And it's our understanding, Senator Briese, that those funds are not to be swept into the General Fund. The directive was it would go out to grants for

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municipalities across the state. There was at one point when Senator Mello was here and Senator Harms and Senator Dubas that some of those funds, in fact, did not go out and legislation was passed to require DED to make sure that they asked for the money and that the money would, in fact, go out. That being said, we think overall this is a very good bill and there are some things that we would, we would add to it and a couple things just to bring to your attention. First of all, if you look at the language that's being suggested on page 2 lines 4 and 5, as well as a new language on lines 20 and 21, and also even the definition of public space. We think those are all really good changes. Broadens it a lot, and I think that's good. You're going to see, again, for those of you that haven't already, if you take a look at this just very quickly, a wide breadth of projects all across the state. And it is not program, programmatic, it is intended for buildings. So the notion was that in Hemingford, Nebraska, they would not have a civic center, certainly of the magnitude of a Lincoln or Omaha or even a Grand Island or Columbus, but certainly something that was very meaningful for them. And all of you in your districts have very important projects that have come through this. One of the issues that I think I would like to bring to your attention and, again, we've tried to figure out which, what how we address the issue of Article XIII, Section 3 of the Nebraska Constitution. And we have not yet found a way to do that. If you look on page 7, lines 12-15, it talks about the fact that the applicants and operational capacity of the applicant and of any nonprofit entity or county owns the eligible facility jointly with the applicant, and the municipality would own at least 51 percent of that. But again, the nonprofit entity is, I think, problematic. That doesn't mean that they can't coordinate that they can't work with others in the nonprofit businesses but it is problematic because of the prohibition against lending the credit the state. That being said we would also encourage you not just to put a county then to be able to partner with the municipality but certainly schools. We do a lot of partnering already with schools all across the state of Nebraska already for recreational centers so that during we've had a number of projects across the state where LB840 programs or this kind of funding was done so that in fact although now the city's paying for it forward and total that the school uses it Monday through Friday during the school hours and then during the weekend seniors can use it and others can use it. And I think that's been very valuable all across the state. So that is a concern. That's really the only concern we have about the bill itself is just how you deal with the issue of the nonprofit entity. If you look on page 7 line 31 expanding it to the ATC of the municipality we think would also be

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important. We really appreciate Senator Bolz thinking outside the box on how to expand the program because there are lots and lots of municipalities across the state, 529 that are actively going after these funds. And, again, as some of you may know, sadly, from being on the Revenue Committee, and you've heard my presentation, municipalities in terms of state aid to municipalities that vanished with LB383 in 2011. So this fund is critically important. It literally is about the only fund municipalities have to go to, to get these kinds of funds to put together these projects which are so important for communities. I know the light's red. I apologize. I'm happy to respond to any questions that you might have.

WAYNE: I'm letting you know.

LYNN REX: I talked as fast as I could. I'm sorry.

WAYNE: Senator Arch.

ARCH: Remind me again who decides where these funds are-- how these funds are distributed.

LYNN REX: OK, so it's DED. And, again, I know you don't have time, the Department of Economic Development, the Nebraska Department of Economic Development.

ARCH: OK.

LYNN REX: And they basically are the ones responsible for administering these. And we've got, I've got some materials with me that I didn't hand out, but information, the applications every year that municipalities fill out indicating these are the kinds of programs that we're looking at. Several years ago, some of your predecessors put in some very important language for planning grants because many municipalities, Senator, weren't able to apply because they didn't have the money in the first instance to basically do the planning for it. So you can have up to a \$10,000 planning grant. I would say probably half of these projects that you have on this sheet started as a planning grant, and then they came back in after the planning was done and they could basically fit within a category in order to access these funds.

ARCH: So the department makes the decision?

LYNN REX: That is correct. And let me just share with you that, because of issues that have happened a long time ago with the

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Department of Economic Development when there was funding there but it wasn't getting out to municipalities, and there was a lot of concern about how one year you'd have millions going out the door to municipalities and the next year for several years running there were no funds going out to municipalities. And based on that, again, Senators Mello, Harms, and Dubas really were upset about that. And their concern was that if the money-- that this money is intended for that, that was quite frankly the quid pro quo for Omaha to get the votes to get the funding for the Qwest Center. That the rest of the state would have access to that. And, of course, now Lincoln and Ralston. So these funds go into DED. And the way it works is that if you qualify, you get the money. I'm not saying it's just first come, first serve, but pretty close to that. You have to have the match, you have to meet all the qualifications. And I think DED has done a much, much better job in implementing this program and done a really good job recently in doing that.

ARCH: Thank you.

LYNN REX: You're welcome.

WAYNE: Senator Briese.

BRIESE: Thank you, Chairman Wayne. Thank you for your testimony. And so the funds, ultimately, are entirely used? All the funds are used eventually?

LYNN REX: The answer is yes. And, in fact, what is supposed to happen too, one of the things that we suggested to Senator Bolz that might be something for this consideration, is that if there are any funds left over that those funds then should be going back. And actually Senator Riepe passed a bill to say that anything above \$1 million will go back proportionately to Lincoln, Omaha, and Ralston that actually generate the funds for this program. And we think that this fund is very important, Senator, because again this is literally the only program that municipalities have for doing this. But being able to open it up and broaden it to other entities to partner with, we would include schools in this, I would appreciate the senator including counties. And I think that there is a way in which one can partner with nonprofits. For example, you can do that with a contract for services rendered but not with these funds. And, again, you've got to look at Article XIII, Section 3.

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BRIESE: And it's your understanding we have never swept these funds back into the General Fund but we're not statutorily allowed to?

LYNN REX: I am not an expert on that so I will defer to the folks in the Appropriations Committee. But the intent from the senators that created the fund, and certainly recently, was that these funds are intended for this express purpose.

BRIESE: OK.

LYNN REX: And that's the purpose for which it, I mean, and the reason was because it's statutorily saying where the funds go. It would be the same thing as if the Legislature said the funds are supposed to go to X for certain things and then it doesn't go there.

BRIESE: OK, thank you.

LYNN REX: The analogy I would use is if a city passes an LB840 program indicating that upon passage of an LB840 program the sales tax dollars will be used for, I'm going to say, the following five purposes and then the city decides, you know, we're just not going to do that. We're going to sweep it into our general fund. Well, you violated the trust of the folks that told you to do that.

BRIESE: Thank you.

LYNN REX: You're welcome.

WAYNE: Any other questions from the committee? Seeing none, thank you for coming.

LYNN REX: Thanks. We thank Senator Bolz for bringing this bill forward. And we're happy to work with this committee as always and Senator Bolz on any other changes that you folks feel would be necessary.

WAYNE: Any other in opposition? Oh, you were supporting? Were you supporting? That's what I thought. I'm trying to move forward. Any other proponents? Welcome to your Urban Affairs Committee.

AMANDA BARKER: Thank you. Good afternoon, Chairman Wayne and members of the committee. My name is Amanda Barker, that's A-m-a-n-d-a B-a-r-k-e-r, I'm the deputy executive director and director of civic health at Civic Nebraska. Civic Nebraska is a nonpartisan, nonprofit organization focused on youth civic leadership programs, voting

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rights, and civic health programming. So you might be wondering what I'm doing here today. Our support of LB564 stems from our work to advance civic health in communities across the state, specifically through programs and policies that support innovative placemaking opportunities like LB564. We're particular, particularly supportive of the amendments to the Civic and Community Center Financing Act-- Fund Act, that allow for joint ownership between the municipality and a local nonprofit, that expand the purposes of eligible facilities, and those that propose shared ownership arrangements. All of these amendments give the communities that these civic centers, community centers, and public spaces that they reside in greater agency to better leverage their assets and serve the needs of the community. In any community that we serve at Civic Nebraska we start from an asset-based perspective. We facilitate a mapping exercise that asks residents to identify the cultural, human, and built capital of their place among many assets. This frame of mind allows residents to consider ways to build on existing strengths, say a historic building, a historic district, or even a valuable partnership between city hall and a local nonprofit. From there, residents start to connect the community's assets to an improvement plan which would often lead to a project like those supported through LB564. Time and time again we see that when residents are able to co-produce projects with local power structures it's not only a remarkable act of civic engagement in itself but the project reflects a deep investment of time, treasures, and talents by the whole community and is sustained over time. There's a deeper investment and a lasting impact. Additionally, Civic Nebraska recognizes our state's need for work force development and economic growth. You'll hear several times this legislative session that people attraction and building an employee base are an import, important strategies in keeping bright, talented people in the state. Although job opportunities are one side of the coin for people attraction, we also need to begin considering community vibrancy and civic health as an equally weighted side of the coin. Creating public spaces that lead to greater social connectedness starts to yield results like high trust in neighbors, high social connec-- high social capital, and high retention. Simply put, supporting and funding public spaces is an important element of community building and that positively affects the economic efforts of our state as well. Our state's civic health reflects the social, civic, and political fabric of a community, and LB564 expands the CCCFF act to provide-- excuse me, to improve the quality of life through thoughtful civic health projects. I urge you to support LB564 and welcome any questions that you may have.

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WAYNE: Any questions from the committee? Seeing none, thank you for coming today.

AMANDA BARKER: Thanks.

WAYNE: Any other proponents? Seeing none, opponents? Any opponents? Anybody testifying in a neutral capacity? Senator Bolz, you're welcome to close.

BOLZ: Thank you, committee. I will be brief. I did want to just point out to the committee the answer to Senator Briese's question on page 3, line 11. The act, as originally written, does allow that transfers may be made from the fund to the General Fund, the Department of Revenue enforcement fund, and the state colleges sport facilities cash fund. Senator Briese, perhaps I've been scolded enough in the Appropriations Committee that I should not do such a thing, that it made me think that it was not allowable. And perhaps that could be part of a committee amendment if that was the committee's intention to put a fence around those funds so that they are used for the purposes for which they were intended. Regarding the other suggestions specifically from the League of Municipalities, I appreciate the suggestion. I particularly appreciate the partnership with schools. With the committee's collaboration I'd be happy to work with the League of Municipalities and the legal counsel to put together an amendment and ask for your consideration. So thanks for your attention.

WAYNE: Any questions from the committee? Seeing none, thank you for coming today.

BOLZ: Thank you, committee.

WAYNE: We do have, before we close, letters of support from the Nebraska State College System and the MainStreet Beatrice. And with that, that closes LB564.

HUNT: The next bill we're doing is going to be a joint hearing because we're introducing Senator Wayne's constitutional amendment and then the bill that we will use to implement that. And I'm sure the senator will explain that.

WAYNE: Yes.

HUNT: In his opening, which he's welcome to do.

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WAYNE: Good afternoon, Vice Chairwoman Hunt and members of the Urban Affairs Committee. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent north Omaha, which is Legislative District 3 and northeast Douglas County. I guess, let me first start off, the reason we are doing a joint committee hearing is LB648 is unconstitutional. So it's kind of hard for us to vote on a clearly unconstitutional bill, although sometimes we might do that out on the floor. Nevertheless, LB648 gives a frame of reference to LR14CA. And so I wanted to give context around that LR and so I thought it was important to show it could be possible if this were adopted on the ballot. So LR14CA would propose a constitutional amendment to Article VIII, Section 12 of the State Constitution which authorizes tax increment financing, better known as TIF. Under the resolution the Legislature would be, would authorize to extend the maximum length of time for repayment of TIF indebtedness from a 15-year limit, limitation to a 20-year limitation if more than one-half of the property is designated in an extremely blighted area. My goal in introducing LR14CA was to encourage the use of TIF in extreme blighted areas. In Omaha, Lincoln, and a handful of other Nebraska communities there are pockets of cities, of the city that are undoubtedly will meet the definition of substandard and blighted for TIF purposes but struggle, still struggle to attract-- attract developers and revitalize the neighborhood in those areas. By allowing a longer TIF repayment in these areas of extreme blight, LR14CA will help incentivize the use of TIF where it is sorely needed. In 2015, the Urban Affairs Committee published a report, LR155, the committee's interim study of a comprehensive look at economic development tools available to the municipalities in Nebraska. One of the suggested changes in the LR155 report was extending the maximum length of time for repayment of TIF bonds. When LR155 was, report was released, Nebraska was only one of three states with the maximum TIF repayment period for just 15 years. As committee members will see from the map and the materials, only Nebraska and Montana now have a 15-year maximum TIF duration. However, Montana allows for TIF projects to be extended up to 25 years, making Nebraska repayment period the most restrictive in the nation. The idea of extending TIF repayment from 15 to 20 years has previously been introduced a number of times, most recently 2012 and 2013. Rather than outright extending the repayment period for pat, past efforts have done in 2012 and 2013, LR14C-- LR14CA provides a limited extension of TIF for, for those projects in where half of the projects is designated as extremely blight. I introduced similar legis-- a resolution in 2017 which was advance to General File but did not move forward due to a lack of priority designation. Last year, the Legislature created a definition

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of "extremely blighted area" in community development law. As currently defined, an extremely blighted area is a substandard and blighted area which the average rate of employment is, in an area during the period covered by the most recent census data, is at least 200 percent on the average unemployment rate in the state of Nebraska. During that same period and the average poverty rate exceeds 20 percent for a total fed, federal census tract or tracts or federal census block groups or block groups in the area. A map showing the area of the state potentially meeting the definition of extreme blighted is included in your materials, and it was handed out before in other pieces of legislation before this committee. LB648 as a companion bill which would give you an idea of how we would implement it if we chose to move this forward and it was voted on. Again, I encourage you not to advance LB648 because I don't want to explain to people on the floor that I introduced an unconstitutional bill. But it's just an idea to give you a framework around LR14CA and how we can use it for extremely blighted areas. With that-- OK, I'll give you one real life example. Mister C's on 30th and Fort, right outside my district and Senator Chambers' district. After talking to the developer multiple times, if we would have had a 20-year period that project would have sped up almost two or three years. But they instead had to go out and get more grants and other creative financing to put that project together. And that's the ability of increasing the-- or decreasing the time frame in which we can build and revitalize neighborhoods. And with that, I will answer any questions.

HUNT: That actually kind of answers my question. I was going to ask what the, what the intended consequences of this, of this amendment would be.

WAYNE: So a longer repayment period allows financing to go a little further, which can speed up the process of development and making it more enticing, more incentivized, and lowers the risk for some investors to invest in the area.

HUNT: Do you think that there's cases where, because it took so long to get the funding, projects got abandoned?

WAYNE: Yes. Yes. Particularly on Ames Street [SIC], anywhere from 60th to, 60th to 52nd Street. They are just now really starting to develop that area, but it's been a slow process because the TIF was maxed out, grants were maxed out, and investors when looking at Omaha and other

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areas can utilize their dollars with less risk. So this extra five years would help minimize that risk.

HUNT: Thank you, Chairman Wayne, Senator Wayne. Any questions from the committee? Seeing none. Oh, I'm sorry. Senator Briese.

BRIESE: Thank you. And thank you for bringing this, Senator Wayne. On the floor when we talk about TIF it seems like the argument often is, is it a good deal for the property taxpayer, is it-- you know, what's the return on this investment, so to speak, that we're allowing to happen? Can you make a stronger case that is a, it's easier to identify the benefit and the return when we're limiting it to the extremely blighted areas than, say, other areas that would otherwise be covered?

WAYNE: Yes. Well, because technically right now the city can, or any municipality can-- I don't want to say loosely, because there is controls around extreme, extreme blightedness and substandard, but they're pretty bigger areas. This is a targeted approach to make sure that over time you target key areas that have high poverty and high, and high unemployment. But the bigger cases, and I would implore you to look at the LR155 study is, we don't have really any economic development tools for cities to use. When I worked for a railroad that I'll leave unnamed, but most people can figure it out, I used to have a conversation with the chairman that every year they were being recruited to Oklahoma City and other places. These are major employers. And they can do property tax abatement, they can do sales tax abatement, they can do income tax abatement, there's different things that they can do to attract employers. And the reality is we don't have those same tools. TIF has been, whether we like it or not, and this was the argument we had on the floor, one of our only economic development tools to attract people to redevelop areas. So if you want to help me amend the constitution to do other things, we can do that. But the case is right now this is truly the only economic tool that, that's out there. And I'm sure as Senator Landis will talk more about that if you have more questions about it. But without any tools we're, I mean, we're already losing population and we're losing jobs. We have to figure out how to do something, and this is just one tool.

BRIESE: OK, thank you.

WAYNE: But it does narrow the focus to where we don't get some of the issues that came out of the Auditor's report and a couple other places

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where some cities go outside their municipality limit TIF and then come back. This tries to limit that to extremely high poverty and high, high unemployment areas.

BRIESE: OK, thank you.

HUNT: Thank you, Senator Briese. Any other questions from the committee, those of us who are here? Thank you, Senator Wayne. Next we'll hear proponents on LR14CA and LB648. Welcome, Senator Landis, to your Urban Affairs Committee.

DAVID LANDIS: Members of the Urban Affairs Committee, David Landis, D-a-v-i-d L-a-n-d-i-s, the urban affairs director for the city of Lincoln, speaking on behalf of the city of Lincoln in favor of these measures. Milton Friedman, conservative economist; B.F. Skinner, psychologist, very famous, both agree on one principle. You get the behavior you reward. If I take my seven-year-old grandson Stefan out to my front step and I say, Stefan, I'll give you a buck if you run to the corner. Or, if you'd like, I'll give you a buck if you run around the block. Which one is he going to do? He's going to take the buck and run to the corner and come back. If TIF treats Westroads or 72nd and Dodge the same as it treats north Omaha, where will developers build? Because both of them meet the definition of blighted and substandard under today's rules. But where will the risk and reward be greater? Which is why, if you want to attack the hardest and most difficult areas of poverty and the extreme areas of blight, you really can't treat it identically as if you treat areas that you might say were "blinky" but were significantly different. If you were to take a look at our practices in Lincoln. We've had a very handsome amount of development in Lincoln, we're grateful for this tool. But it has been largely in places where there were some areas that needed to be certainly redeveloped but they weren't the hardest hit parts of the community. We think that Senator Wayne's bill is based on common sense. You get the behavior you reward and it depends on how you structure those incentives to get the kind of behavior that you need. And if we want to attack the most extreme conditions, we need to treat them with an incentive different than what we treat areas that aren't significantly disadvantaged. Are there questions I can answer for you?

HUNT: Thank you, Senator Landis. Any questions from the committee? In Lincoln, what percentage or amount or any, any metric of your city is extremely blighted?

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DAVID LANDIS: The best that I could use off the top of my head, because we haven't run this analysis, is the tightest HUD analysis, which is called the NRSA. That's not the low and moderate income areas, it's even tighter than that. It's where poverty is more extreme. We probably have, and here's an off-the-top-of-my-head estimate, maybe 6 percent of the city in an NRSA.

HUNT: OK.

DAVID LANDIS: And I would think that if we took the definitions that Senator Wayne is using and we overlaid that concept, we'd find a high degree of similarity. Although, it wouldn't be identical.

HUNT: Thank you. Any other questions besides mine? Seeing none, thank you for being here today. Any other proponents? Welcome back to your Urban Affairs Committee.

JENNIFER TAYLOR: I'm going to try to remember my name today. Good afternoon, Senator Hunt, members of the Urban Affairs Committee. My name is Jennifer Taylor, it's J-e-n-n-i-f-e-r T-a-y-l-o-r, and I'm the assistant city attorney for the city of Omaha. Much of what Senator Wayne, in fact all that Senator Wayne, obviously is, is very accurate as far as what the need would be, particularly in Omaha. And so my experience and my knowledge is as relevant to that. To address, what might be easier is addressing the questions that were asked. So I think what, what this bill, the constitutional amendment with this bill would allow us to do is for areas that are extremely blighted, based on the definitions that Senator Wayne has introduced, it would allow a five year longer repayment period. When you have a longer repayment period you're actually able to amortize a little bit greater debt. So when you have a project that comes in and it says, you know, the need, the amount of project is X number of dollars and the amount of need we have based on the investment by the developer and the equity is Y. And TIF gets you to Y minus some, some, some other number. It's that number that oftentimes for developers is a problem. They can get almost all the way there, but they can't get all the way there. If you were able to give them another five years to amortize their debt service, that allows a slightly larger income stream to be provided them up front that may cover that, that Delta. So what you're looking-- and oftentimes in the areas that Senator Wayne is talking about, that Delta is really important. To an extent in community redevelopment areas like north downtown or downtown, TIF is necessary to address various acquisitions: demolition, environmental, and infrastructure areas. In some of the areas of north Omaha, for

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example, in Senator Wayne's district, if you look at North 30th Street, and you look at the Highlander development there. As part of that development they had to actually put in streets and sewers because the area they were redeveloping was a 20 area untouched piece of ground. It didn't have a street connection system, it didn't have sidewalks, it didn't have sewers. So the developer was required to install all those things, as well as actually redesign and repave and [INAUDIBLE] on 30th Street. Those are all significant infrastructure costs the developer was required to take on. It did not-- because it's inside the city, you don't have an SID. So those types of public infrastructure costs where you're putting in sewers, you're putting in streets, you're putting in all of that kind of things that are necessary to doing that kind of infill development, outside the city limits you do those with an SID. In areas like where Highlander is on North 30th Street, you just have to endure those costs. You can't pass them along to your homeowner when you develop, when you build the house or you build the project. So the developer has to figure out how not only to do a development in an area where land costs are sometimes higher, the building costs are more expensive, but they also have this added infrastructure cost they have to absorb. That oftentimes makes these projects more difficult. And in certain areas of Lincoln, north Omaha, and south Omaha where there hasn't been a great deal development in quite some time or the land has been abandoned and is vacant some of those street infrastructure systems are gone. So if you want to-- if Habitat for Humanity wants to go into north Omaha and build 10 houses, they can't find a place to do it because the street that that vacant land is on is gone. So they have to pave the street, they have to put in the sewers, they have to put in the sidewalks, and that's all an added cost that makes it even more difficult in those particular areas to finance redevelopment. This bill would actually address and assist in doing those kinds of developments. And I'm happy to answer any questions.

HUNT: Thank you very much, Ms. Taylor. Any questions from the committee? Seeing none, thank you. Next proponent.

LYNN REX: Senator Hunt, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We're here today in strong support of LR14CA and honestly the enabling legislation which would be there in the event that LR14CA would pass, and that would be LB648. We do support this because, as already indicated, Nebraska has the most restrictive tax increment financing laws of any of the surrounding states. And frankly, in our view from

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what we've seen, even in the country. And some of our colleagues in other states are just amazed that we're able to do as much as we are able to do in this state with restrictive tax TIF laws that we do have and also some of the tax limitations on local governments. With that, we think that this is extremely important just because of some of the major things that some cities are facing in some very unique areas. And I think Senator Wayne's district has some of those areas. Other cities have some of those as well. And this would be a way to do that. One of the things that I think is always interesting is when folks do not have an understanding. Some of the folks who have criticized tax increment financing don't understand that is what builds the base. When folks say, oh my gosh, you know, this is just a giveaway. It isn't. It's an investment in your community because the way that TIF uses-- is used, it's a but/for test. And these are projects that wouldn't happen but/for tax increment financing. And when you have special projects, homes that are basically in areas that have got asbestos and that sort of thing, you have to look at this. One of the things that I think some of our communities would look at is a constitutional amendment that Senator Landis proposed years ago, and that was for those areas that deal with regional centers. When you're dealing with extreme blight in areas like Hastings and Norfolk where the state of Nebraska has literally walked away from buildings on those campuses that are full of asbestos. You don't get private developers that have the capacity financially to go in and take care of that. And so this is where you have something like this that would expand the period of time for payback. So some of those core areas could be addressed. Because otherwise there's no developer they can afford to do it. And again, tax increment financing builds the base. That's what builds the base for schools. Without it you wouldn't have expanded bases in many of our cities and certainly in the core area. That's true for county government. As you know, when you live within the corporate limits of municipality you're not only paying city taxes, municipal taxes, you're playing county taxes. And when municipalities grow that also grows the valuation for the county itself and helps the county and all taxpayers within the county. So everything is interrelated and we just think it's extremely important that Nebraska provide this type of option as other states have done for areas that have extreme blight. With that, I'm happy to respond to any questions that you might have.

HUNT: Thank you, Ms. Rex. Any questions from the committee? Senator Briese.

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BRIESE: Thank you, Chairman Hunt. Thank you for your testimony. So we're talking about extremely blighted areas and a 20-year amortization, so to speak. It probably makes it easier to meet the causation requirements of the but/for test, doesn't it?

LYNN REX: Well, what it does, I don't know that it makes it easier to meet the but/for requirements, but to flip that around a little bit, the developer wouldn't be able to do it but/for this. That's why you've got some of these-- I think that's what you meant, and I maybe perhaps misunderstood. That you literally could not have a developer go into some of these major areas and make it work financially. And that's what I think Senator Landis was saying. Developers, they're not in the business of social work. They're going to do what they need to do. They're profit-making ventures and they're going to do what they need to do to make money for their employees and stockholders. And, and so they're not going to go there unless the incentive is there. And again, it helps everybody when you have cities that are growing from the core out. And that includes county government, it helps county government as well because it's important that you just not have big areas within the core of a city that are just there and blighted and substandard. And nobody can afford to deal with it, nobody can address it, and so they just sit there and become an eyesore. And this helps that happen. And one of the reasons Senator, too, why it's so important, and I know you know this from all the work that you've done over the years on these important issues, is that that's where the infrastructure is. The cities and citizens have already made that investment in the infrastructure. So it only makes sense to take care of those areas, those core areas first.

BRIESE: Thank you.

LYNN REX: Thank you for your question.

BRIESE: And you talk about the other states and they're-- we're more restrictive than they are. Some other states utilize sales and/or income tax revenue in, in the realm of TIF, don't they? Instead of holding property taxes in a ban, I think there's other mechanisms, correct?

LYNN REX: Yes, sir. I think that-- and I couldn't name them for you. I'd have to do the research to get back to you. But there are some states that have like a sales tax TIF. I don't know how that would work necessarily in our, in our paradigm tax wise.

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BRIESE: OK.

LYNN REX: It could. I just don't have enough information today to respond to that. But you're correct, some states do.

BRIESE: Thank you.

LYNN REX: You're welcome.

HUNT: Thank you, Senator Briese. Any other questions? Thank you, Ms. Rex, for being here today.

LYNN REX: Thank you, and thanks to Senator Wayne for introducing these proposals.

HUNT: Next proponent. Welcome, Ms. Creager, to your Urban Affairs Committee.

JENNIFER CREAGER: Thank you, Vice Chairwoman Hunt, members of the committee. For the record, my name is Jennifer Creager, J-e-n-n-i-f-e-r C-r-e-a-g-e-r, senior director of public policy for the Greater Omaha Chamber, here in support of LR14CA and LB648. I would like to thank Senator Wayne for introducing these bills. We're glad to be here in support. In the interest of time, I will just say that I concur with Miss Taylor's remarks on behalf of the city of Omaha, along with Senator Landis and Ms. Rex. The proposal would help get more development in the most challenging areas of our city, including north and south Omaha where we do face additional challenges and development, which you've heard about. The Chamber has recently created an urban core committee, so we're very focused to development opportunities within that urban core and we think an approach like this could be helpful to those efforts. That's really all I have, so thank you.

HUNT: Thank you very much. Any questions from the committee? Seeing none, I appreciate you coming. Any other proponents on LR14CA or LB648? Any opponents? Welcome back, sir.

JON CANNON: Thank you. Senator Hunt, distinguished members of the Urban Affairs Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the deputy director of the Nebraska Association of County Officials here in respectful opposition to LB648. I know that we're having a combined hearing here, so let me briefly describe how we arrived at opposition to LB648 and we're not talking about a LR14CA. The NACO board met and discussed its legislative positions, and it was

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determined that we're not going to oppose the cons-- the proposed constitutional amendment. But the underlying bill is what we wanted to talk about, and so that's what I'm going to be focusing my efforts on discussing today. We recognize that TIF is an important economic development tool that is used by municipalities. And that tool's effectiveness is predicated upon a dynamic tension that exists between property being kept off the tax rolls, that excess value being going toward paying off the bonds, and then ultimately coming back on the tax rolls at a higher value. We get that, we respect that. However, what this does is it's going to upset that dynamic tension. It's going to keep that property off of the tax rolls for an extra five years. And what happens in the extra five years certainly, while that property is, is in TIF, the areas that surround it, that are going to be necessary for contributing to all the necessary services that are going to go toward what we hope is the revitalization of that, that area: more people, presumably; there are going to be more children attending schools. The people around that area, that are not in the TIF area, they're going to be required to pay more in property tax in order to help pay off those bonds because those services are going to increase. And that's, that's the aim of TIF and that is, in fact, what's going to happen. And those services have to be paid for with, whether it's increased fire protection, increased police, increased money spent on education. Also one of the net effects that this is going to have is when it is going to make those school districts in which the TIF district is found appear poor, and that's going to have a corresponding effect on TEEOSA. I noticed that the fiscal note for both LR14CA and LB648 don't really address how that's going to affect TEEOSA. In fact, they don't even address any impact on TEEOSA at all. However, to the extent that a school district appears poor, that's going to affect what, what its funding is going to be for purposes of TEEOSA. The other thing I'd like to bring to this committee's attention and just have you perhaps contemplate is the fact that, as I'm fond of saying: If you paint a bull's-eye, don't be surprised when someone is going to aim for the target. If the effect of having a longer bond payout period is going to be that it's going to be attractive to more developers, why would any developer in the world not want to agitate for the extremely blighted designation for something that is already considered blighted? And if you don't think that's going to happen, I would ask you to consider the case of *Kelo v. City of New London*, in which in that case there were some very fine properties which were considered blighted and substandard, and the power of eminent domain was used to make way for a developer to come

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in. With that, I have no further comments. I'd be happy to take any questions this committee might have. Thank you.

HUNT: Thank you, Mr. Cannon. Any questions? Senator Briese.

BRIESE: Thank you, Chairman Hunt. Thank you for your testimony. Are you suggesting with one of your last statements there that it's a bad thing for developers to target extremely blighted areas?

JON CANNON: No, sir. I'm not. However, we have that designation for blighted areas, blighted and substandard areas. The question is whether or not a develop-- if we have, on the one hand I can have a 15-year note that's for an area that's considered blighted and substandard, and I'm relatively certain that I can have-- that that area is going to be considered blighted and substandard because it's not going to conform to the highest and best use of the property. And on the other hand, I can have a note that's going to be a little bit longer and probably, and possibly have a little bit lower interest rate. If I'm a developer, I've got to imagine that game theory suggests that I'm going to want to have that area designated as extremely blighted and substandard.

BRIESE: OK, thank you. But your testimony suggests that you think this bill would be effective in bringing folks into those extremely blighted areas and developing those areas then?

JON CANNON: I can't predict the future, Senator, I'm sorry.

BRIESE: OK.

HUNT: Thank you.

BRIESE: Thank you.

JON CANNON: Yes, sir. Thank you.

HUNT: Thank you, Senator Briese. Mr. Cannon, how could, how could a developer game the law to have a blighted area turned into an extremely blighted area?

JON CANNON: What I'm suggesting, Senator, is that if I have two options and one of them is, have an area considered blighted and substandard, and I'm going to have a 15-year note and it's going to have a slightly higher interest rate; or I can have an area that's going to be considered extremely blighted and substandard and I'll

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have a 20-year note with a slightly lower interest rate, game theory suggests that I'm going to use whatever influence I have to bring to bear upon the person that the committee-- the community redevelopment authority to say, you know, perhaps this could be extremely blighted and substandard. I know that we have some, some objective tools that we're going to use as far as determining whether or not something is considered extremely blighted and substandard. I think, however, if I'm a, if I'm a developer my interest is probably going to be in, you know, what's going to have the better payoff.

HUNT: So it looks like this is defining extremely blighted. It's, it's providing for a procedure for a municipality to declare an area extremely blighted, which would be the average rate of unemployment is at least 200 percent of the average rate of unemployment in the state and the average poverty rate exceeds 20 percent. So we know there's areas that are one or the other, but for extremely blighted it would have to be both. But you think that could be gamed?

JON CANNON: I think that it's going to be my, if I'm a developer, it's my, in my interest to try and get the, the longer period for the note and a lower interest rate. And to the extent that I'm able to bring whatever tools I have to bear, I mean, the objective portion of the definition of extremely blighted and substandard is what it is. But I do think that there's an incentive to have an area declared extremely blighted and substandard. And I guess my other question is who, who actually polices in the bill as it's written? Who's going to actually police whether or not those standards have been met? That's not addressed, as far as I can tell.

HUNT: Those standards are just based on what the, the census says. So that's just based on census data.

JON CANNON: Correct. But what is the, what administrative agency is going to be overseeing whether or not a community redevelopment authority has accurately used the census figures to determine whether or not that should be given the designation of extremely blighted and substandard?

HUNT: All right. Thank you.

JON CANNON: Yes, ma'am.

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HUNT: Any other questions from the committee? Seeing none, thank you for being here today, Mr. Cannon.

JON CANNON: Thank you.

HUNT: Any other opponents? Anybody here in the neutral capacity? Seeing none, we have a couple letters for the record here. We have a letter of support from the Home Builders Association of Lincoln; Metro Area Home Builders Association; a letter of support from the Nebraska Realtors; and a letter of support from the United Cities of Sarpy County. With that, I would invite Senator Wayne to close on his bills.

WAYNE: So I just want to make clear for the record they were not in opposition to LR14CA which means I still have a chance at consent calendar. With that, I just want to point out some things that currently the process for which TIF is designate-- or substandard and blighted is designated at the city or municipality level. There is a process right now for someone to challenge that and, in fact, there have been many, multiple instances that during the debate on the floor of TIF, for those who were here last year and the year before, where cities may have or municipalities may have not followed or did thing what we might think is kosher. They did TIF a project that was-- before the project started because a developer may have wanted it. And part of the bill that we introduced as the compromise from this committee in all the work was to help clarify some of those things that they can and can't do. It took a lot of work, and we put some strings around TIF itself. This is actually a very narrow focus. This is a narrow focus in that we are trying to find areas that have been left behind for multiple, multiple generations and figure out how to develop them. This is one tool. If we want to talk about sales abatements, if we want sales tax, income tax, those things, I'm more than happy to have that conversation. But as chair of this committee, this is the one tool that I get to play with and try to figure out how to make it better for the community that I represent. But in the process we found out there's communities like this all over the state that are extremely blighted. And Thurston County, the entire county would fall into that area. Well, if we can target some real action and development, that would better that community. Norfolk, Hastings, Scottsbluff, they all have small areas that if we can redevelop, do an extra five years and give a better incentive for developers to change or to invest in, I think that's good for Nebraska. And we can argue about property taxes being off the payrolls but typically in most of these areas they're devalued already. So after 15 years you get,

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actually get an increase in your property taxes as far as the revenue coming in. Because that's what TIF is basically based off of. That is the but/for test, is there going to be an increase at the end of this to finance this deal. So at the end of this there is a better base in which you can move off of. I will also put on the record I'm asking legal counsel to put a rush on the transcript because Senator Landis, just used a great analogy that I want to read during my opening on the floor. And with that, I'll answer any questions.

HUNT: Thank you, Senator Wayne. I appreciate this map you gave us. It's really interesting to see the extent of poverty across Nebraska. Like you mentioned Thurston County. Speaking from a place of ignorance about this, without context it's hard to know if 15 percent tax increment financing is a lot or if that's not a lot.

WAYNE: Fifteen years.

HUNT: Oh, yeah. Yeah, 15 years, I'm sorry. That's what I meant to say. Fifteen years for TIF. So how does that compare to other states? If we were to change it to 20, where would that put us in comparison to other states?

WAYNE: So we are the most restrictive. And again, and I do-- and I'll spend more time in exec trying to go through some of the history that we did around LR154, the previous committee reports on TIF, and then our huge bill that we did last year. Although I think it was two years ago, it seemed like forever because it's such a big thing. So we are the most restrictive in the state when it comes to TIF by far.

HUNT: In the state.

WAYNE: I mean in the country, by far. Montana has 15 years but they extend it up to 25 and often do. Now, I will tell you most of the TIF projects right now are averaging about 12 years in Omaha. They don't even go to the 15. Part of the reason is you get, start getting to the end of that amortization, you kind of get nervous as an investor, so you just stick to around 12. And they can typically pay it off. But if you also looked in Omaha-- I guess not everybody drives there, but if you drive in north and south Omaha there are places that are left behind. Because as Senator Landis says, if I can TIF Crossroads, which is extreme blight and meets that, not extreme blighted but substandard and blighted which meets the definition, I will go there were over a million cars pass a day to build verses on 30th and Fort where 1,500 cars pass. So it's, it's that risk reward. So, yes, we are the

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strictest in the country. Most states do 20 to 25, but most states also have other economic incentive packages that we just don't have in Nebraska.

HUNT: Would you say that having one of the shortest TIF windows in the country hurts small businesses?

WAYNE: Yes. So let me give you a, let me give you a real life example why it matters in my district. So if we were to start on 24th and Dodge and we were to drive north and we were to drive south, you will see in south Omaha many, many small business, especially when you get the 24th and F to 24th and Q. And that is because there is an infrastructure already built. Commercial infrastructure of mom and pop stores that can move in and say, hey, me and Senator Lowe want to start a craft brewery, let's try it. When you go to north Omaha, you see vacant lots. For small businesses to thrive in north Omaha, there has to be an infrastructure. I don't expect the small business to go out and build but there has to be a development that allows small, small businesses to rent. That's how most small businesses start. You look at north Omaha, that infrastructure is not there. That's a real life example of what I think we can do with this bill to change is to start building that infrastructure along 24th Street, around 30th Street, and make a difference. The Seventy Five North project, that was heavily funded by grants. Most developers don't have that money in grants in the background. They have to do it off the dollars and cents in finance. And by giving them an extra five years, we feel it will springboard, at least in these areas, the opportunity to grow small businesses and grow individuals living in those areas.

HUNT: Thank you, Senator Wayne. Any questions from the committee? Senator Lowe.

LOWE: When do we start?

WAYNE: When? We can start anytime.

LOWE: Our craft brewery business.

WAYNE: I don't know how to grow-- I was going to say grow beer. I don't even know how to do beer but I'm willing to try as long as you can't blow up in the process. I'm on General Affairs, they said you can't so I'm--

HUNT: Anyone else? Thank you, Senator Wayne.

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WAYNE: Thank you.

HUNT: With that, I'll close the hearing on LR14CA and LB648. And I'll turn it back over to Chairman Wayne.

WAYNE: Welcome to your Urban Affairs, Senator Hunt.

HUNT: Thank you. Good afternoon, Senator Wayne and my fellow members of the Urban Affairs Committee. I'm Senator Megan Hunt, M-e-g-a-n H-u-n-t, and I represent District 8 in midtown Omaha. Today I'm presenting LB731, a bill that makes a very small technical fix to a potentially confusing piece of language in a statute regarding comprehensive plans for cities. In 2010 LB997 passed into law, adding a requirement for cities adopting or updating their comprehensive plans to include an energy element by January 1, 2015. This bill set the deadline to ensure that all comprehensive plans included in this energy element by 2015. However, there's been some confusion about that date today, about whether that was a sunset or a deadline. A sunset would contradict the intention of the original bill, LB997, and I think it's important that we honor the intent of the bill by making this little fix. LB731 brings much-needed clarification to the statute by simply eliminating the language about that date. If I could get Katie to hand these out. Thank you so much. I'm also proposing an amendment for the bill. It recently came to my attention that a similar problem exists in the energy element requirement for county comprehensive plans. The original bill that I'm bringing here, LB731, just related to cities and we have to do this for counties too. So if the committee advances LB731, I would like to work with you to make the same clarification in the county section of the law as well. The importance of clarity in our legal code cannot be overstated, but I understand that we can't always foresee potential causes for confusion. This bill is really simple, it just make some minor change to the language of statute and it doesn't impact the spirit or the impact of the law. And that's it for my opening.

WAYNE: Any questions from the committee? Seeing none.

HUNT: Thank you.

WAYNE: Thank you. Any proponents? Welcome to your Urban Affairs.

VANESSA SILKE: Good afternoon. Thank you, Chairman Wayne.

WAYNE: Thought I was in the General Affairs today with you being here.

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VANESSA SILKE: We've got a bunch of General Affairs folks here. So lots of familiar faces. This is, I think, the first time I've testified before Urban Affairs. So thank you for having me. So my name is Vanessa Silke, that's spelled V-a-n-e-s-s-a S-i-l-k-e. I'm an attorney with Baird Holm and I'm here on behalf of my colleague, David Levy. He, we represent Omaha by Design. As many of you are aware, my colleague David Levy has significant background in zoning and land use issues. He spends a lot of time testifying before this committee. And in his role working with Omaha by Design and with planning and zoning professionals throughout the state of Nebraska, he had a number of folks reach out to him and ask about this specific provision in LB731. That's why we asked for this bill and that's why we support Senator Hunt in introducing it, and also in the amendment that she referred to striking the same language from the Chapter 23 provisions. So this truly is a cleanup bill. When it was originally passed in 2010, it has zero fiscal note. Same is true today. This requirement has been in place since 2010, and certainly we don't want anyone referring to this phrase on or after July 15, 2010, but not later than January 1, 2015. We don't want anyone referring to that phrase as a sunset or a past due deadline. It also doesn't create any new requirements for municipalities throughout Nebraska or for any counties in Nebraska. The language of the bill that's going to remain in statute if this is passed simply states that, if a new comprehensive plan is adopted or if a full update is adopted, it requires that municipality or county with the amendment to address the energy elements identified here in statute. So with that, I'm happy to answer any questions. If you ask me something I don't know, I will certainly reach out to David to get that answered for you.

WAYNE: Any questions from the committee? Seeing none, thank you for coming today.

VANESSA SILKE: Great. Thanks, everybody.

WAYNE: Any other proponents? Any opponents? Anybody in the neutral testify-- anybody in a neutral capacity? You're welcome to close.

HUNT: Thank you. I won't say much. It's just fun to have a bill that's a cleanup bill, because that's not normally how I roll. And it's just sort of a relief to not get grilled about a bill. We all know that it's important that we have clarity in the law. This is what we're trying to do, and I hope that we can get the some consent calendar and get rolling with it. Thank you.

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WAYNE: Thank you. And just for the record, there are no letters of anything. That closes LB731. Next we'll move to Senator McDonnell's LB520. Due to Mardi Gras, we are going to cancel this. No, I'm joking.

McDONNELL: It is Fat Tuesday.

WAYNE: Welcome to your Urban Affairs Committee.

McDONNELL: Thank you, Chairperson Wayne and members of the committee. My name is Mike McDonnell, spelled M-c-D-o-n-n-e-l-l. I represent LD5, south Omaha. On January 24, 2017, Salvatore "Sal" Fidone III passed away at the age of 48 due to injuries sustained from being struck by a vehicle on 144th Street in Omaha. Sal was doing his job for the street maintenance division of the city of Omaha's Public Works Department. He was survived by his wife and two sons. On November 30, 1999, the city of Omaha published, or at least updated, a document with 21 chapters and roughly 200 pages entitled: Standard Operating and Training Manual. It was designed for use by the street maintenance division of Omaha. Following Sal's tragic death, the city of Omaha published a document on November 11, 2017, titled: Standard Operating Procedures for the Public Works Department. The document is 13 pages long. In my experience on the fire department, 13 pages is not sufficient for standard operating procedures. There will be people testifying after me that do this work and that could attest to that. LB520, also known as Sal's Law, will help to make sure that we are putting safety first when it comes to street construction and maintenance. It ensures the number of vehicles and employees is factored in, as well as traffic flow and volume. In the city of Omaha the safety standards need to be updated and reviewed on an annual basis. Traffic flow and volume needed to be taken into account. Employees need guidance when it comes to how many trucks and how many workers are needed to safely complete a job so they can go home to their families at night. Sal's law will not stop every tragedy, but I believe it will make a dangerous job safer and help improve the lives of everyday wage earners. President Tony Burkhalter, who is the president of Local 251, the civilian employees union for the city of Omaha, is also here to testify. And he does this work on a daily basis and he is my subject matter expert. Be happy to answer any of your questions.

WAYNE: Any questions from the committee? Seeing none, that means it's a well-written bill.

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McDONNELL: Thank you.

WAYNE: Any proponents?

TONY BURKHALTER: Hello, committee. Good afternoon, Chairman Wayne, members of the committee. My name is Tony Burkhalter, spelled T-o-n-y B-u-r-k-h-a-l-t-e-r. I am employed by the city of Omaha Street Maintenance Division and currently the president of Nebraska Public Employees Local 251. I'm here to testify in support of LB520 on behalf of Local 251. Alicia Ray was a young lady who passed away in a car accident after running into the back of a city of Omaha street maintenance truck in 2010. The city truck was parked on a driving lane on Maple Street waiting for more asphalt to arrive. The Ray family was awarded a settlement from the city of Omaha for not following long-established rules set by the manual-- excuse me-- awarded settlement from the city of Omaha for not following long-established rules set by the manual on uniform traffic control devices, or MUTCD. The truck should not have been parked on the street or it should have been properly identified with lights, signs, and advanced warning on oncoming for, for oncoming motorists. Sal Fidone was a city of Omaha street maintenance employee who passed away when he was struck by passing motorist on 144th Street. Sal was walking up to his truck to climb in when a motorist crossed over into the lane occupied by Sal and his truck, striking Sal and causing a deadly head injury. In Sal's case, the city met the minimal guidelines of the MUTCD. The MUTCD is a minimal standard, meaning the city can voluntarily exceed the minimum guidelines set by MUTCD. In the public sector the most obvious MUTCD users are the state and local transportation planners and traffic engineers who designed our roads and our, and locate the traffic control devices that help drivers navigate them safely. There are public works department employees who most-- who must understand how to install and maintain traffic control devices. The engineers and planners who closely-- engineers and planners work closely with Federal Highway Division office personnel who interpret and clarify MUTCD standards for the state and local partners. The Federal Highway Division also conducts extensive material research, often in cooperation with the private sector designers and developers to improve the effectiveness and visibility of traffic control devices. When it comes to safety standards and practices, I believe that everyone has the best interests of heart to protect the public and employees. However, sometimes with the shift in the management and as new leadership takes over, some of the basic necessities go unchecked. The employees depend on effective leadership and guidance. The last

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known date the city of Omaha updated safety standards training manual was in 1999. In this manual you will find how many men or women should be placed in the lead truck, the prep truck, and the shadow truck. This detailed book goes over everything from concrete, asphalt-- concrete to asphalt to the arrow boards that should be used. The guide, this guideline is important to all employees and the employer because it gives clear and concise guidance on how an operation shall be ran. Utilizing the MUTCD guidelines, along with updated safety standards and practices, we can ensure employees have the tools they need to be safe and efficient-- excuse me-- when working on the road. The city of Omaha is not under OSHA's juris-- jurisdiction, but OSHA has an expectation that a municipality not under their jurisdiction would be following the OSHA regulations voluntarily. An investment of a few hundred thousand dollars in safety, training, equipment, and abiding by established and required rules could potentially save millions of dollars and people's lives. LB520 as a commonsense piece of legislation. It ensures someone is taking a look at our standard operating procedures and reevaluating them on an annual basis, even if no changes need to be made. With a city like Omaha, we have so many variables to consider when sending employees out to do a daily, to do daily repairs, such as the volume of traffic or the time of day in which to go out. With the implementation of this bill we will ensure someone is keeping, keeping with the times and updating standard operating procedures as the city grows. As a representative of the men and women who serve the city of Omaha, our employees deserve to have all aspects of safety considered and studied when they put their lives on lines to repair our streets. This is a commonsense piece of legislation, and I ask that the committee, I ask the committee to send this to the floor for full consideration. Thank you, and I would answer any questions from the committee.

WAYNE: Any questions from the committee? Senator Lowe.

LOWE: Thank you, Chairman. And thank you, Mr. Burkhalter for being here today. The requirements for the safety standards, does the city right now have a requirement when it has to be looked at and reviewed?

TONY BURKHALTER: I believe they do not, currently. The updated SOPs that we-- the abbreviation of-- we had, because of Alicia Ray case the city was found that they have to update the SOPs and increase the awareness as far as the lights on the trucks and whatnot. So on an annual basis, currently there is no law in place or requirement of the city to update them on an annual basis. That's why we had the one that

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was created in 1992 and then the last was added in 1999. This new one that we had currently was introduced in 2017, maybe about seven months or so after Sal Fidone's accident.

LOWE: How, when you're looking at the SOPs, is it a book or a pamphlet? How large is it that you'd be reviewing every year?

TONY BURKHALTER: Well, it's a 13-page SOP that could be added onto. I think the city is going in the right direction by the introduction of it, but we-- with the work of the state committee and whatnot, I believe that we can introduce something that could go above and beyond. As far as the practices that, how many, how many individuals we actually have in a truck or how many trucks we actually send out on 72nd and Dodge at 5:00 to repair a pothole. Those are, those are the variables that we want to be able to look at and make sure that we're addressing needs to send the employees out in a safer, safer manner.

LOWE: Could you send some of those trucks to Lincoln? They have a few potholes here too. Thank you very much.

WAYNE: Any other questions from the committee? I just have a-- so what has been the response from the city on a, on a policy or a city ordinance doing this every year?

TONY BURKHALTER: We have discussed it. I think the city is for updating everything on an annual basis. They've been supportive, actually. As far as anything getting introduced and done, now that's the, that's the hiccup.

WAYNE: Is it, is it-- I guess I am trying to figure out if, because we have a similar problem where some codes weren't updated and I'm just trying to-- and that's state statute.

TONY BURKHALTER: Correct.

WAYNE: So I'm just trying to figure out how do we keep the city aware. I guess maybe we could add an amendment for a report or something to make sure we keep, they at least have to report that they're doing something. I mean, I'm talking out loud right now.

TONY BURKHALTER: Right.

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WAYNE: We had some similar things with codes, where it was kind of left and forgot about. But I understand your concern, and I'm sorry you lost a friend and a colleague.

TONY BURKHALTER: Thank you.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here today.

TONY BURKHALTER: Thank you.

WAYNE: Welcome to your Urban Affairs.

SARA PORTER: Thank you, Chairman Wayne and members of the Committee for hearing my plea in support of LB520 this afternoon. My name is Sarah Porter. Mine is more of an emotional plea. S-a-r-a P-o-r-t-e-r. I'm a proponent of this LB520 and a member of Salvatore Fidone's family. This bill could potentially save lives. The morning of January 23rd, 2017, began like every other morning. Sal woke up, kissed me goodbye, and then headed to work on a cold winter day. He called over his lunch, which was approximately about 7:00 a.m., which was my breakfast time, and that morning we made dinner plans. I quickly headed to work and received a text from him, actually, just before he got out of his truck on 144th. And I know the speed limit there, I travel that road frequently. I sat down in a meeting soon following that text and received a frantic call from his brother saying that he had been hit. I rushed to the hospital but was not prepared for the news that we had received that it was a fatal injury. The plans for dinner that we had made earlier had quickly changed. All of the future plans had changed. They would never come to fruition due to his tragic work accident. Sal followed diligently all of the safety guidelines, day in and day out at work. But due to the dangerous nature of the job, they just weren't enough. Today I ask that you submit LB520 to help make a dangerous job just a little bit safer, so no other family received such a call like we did that morning. His sons now navigate life without their father, his parents without their son, brothers without their fearless leader, and me without a life partner. LB520 will mandate annual reviews of their standard operating procedures guidelines and regulations to protect road workers. It could save lives. Thank you.

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WAYNE: Thank you. Any questions from the committee? Thank you for coming today. Any other proponents? Welcome to your Urban Affairs Committee.

AUSTIN ROWSER: Good afternoon, Senator Wayne, members of the committee. My name is Austin Rowser, A-u-s-t-i-n R-o-w-s-e-r, and I am the street maintenance engineer for the city of Omaha. I've come here today to speak in favor of this bill. Obviously, the safety of our workers, safety of the traveling public that may encounter our workers on the street is paramount to everything that we do day in and day out. In fact, it's the most important role that we serve day in and day out. I'm in support of this bill. I believe it's proper to have a mandate on cities, not just of the metropolitan class, but all cities across Nebraska to have some sort of guidance and guidelines in place that would make sure that they are making every effort to protect the safety of their workers and the traveling public that would encourage those workers on the street. Obviously, we never want to meet again any of the tragedies that we've experienced, that have been outlined here before. What the city of Omaha currently uses as far as their standards for safety in our work zones, again, those are aimed at protecting both our workers and the traveling public who would encounter them. Obviously, there's a federal standard, that's the manual of uniform traffic control devices, or the MUTCD as it's referred to. That is a document that specifically outlines a number of traffic control items that are standard across the country. Those would include lane markings, stripings, signage, anything like that. That's a large document. There's also a supplementary document that is just a few chapters. There's an excerpt from that document that includes what is required in work zones. And those work zones are set up in a number of different arenas the work zones are long-term work zones, short-term work zones, and mobile work zones where we're constantly moving. That would be like our pothole operations where those, those workers might stop at a place for a few minutes but they continue to move throughout their day. The MUTCD guidance on this subject does not provide a lot of support for a mobile work zone. And so the city of Omaha has taken it upon ourselves to adopt additional guidelines that are above and beyond the MUTCD, which is our standard operating procedure for mobile work zones and how we go about those. And we do review that on a consistent basis and we have inspectors to make sure that the people out there are being checked to make sure they're complying with those documents as well. Again, I'm in support of this bill. I believe the bill is important to make sure that not only cities like Omaha, but I would like to see it extend across the

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state to see that other communities are protecting their workers and the traveling public that would encounter them as well. And with that, I'd be happy to answer any questions you might have for me.

WAYNE: Any questions from the committee? Senator Lowe.

LOWE: Thank you, Chairman. Thank you for being here today. This seems like a city problem. So why has not Omaha worked on this and then just instituted a one-year plan?

AUSTIN ROWSER: You know, I think that-- I don't think there's, I don't think there's any issue with instituting it annually. I think, you know, one of the analogies I have is with performance appraisals of our workers, the work force. You know, we have we have a requirement to do that annually. And so I think what happens is every year when that comes up, we tend to do that in wrote. I think we forget that, you know, after two months we might want to talk to people. After six months we might want to talk to people and have these coaching sessions throughout the week, throughout the year. That's essentially what we do with our standards. We review them. As Mr. Burkhalter had mentioned, there is a safety committee. We review their minutes, we take any suggestions they may have. It's more of a continuous effort. The MUTCD was last published in 2009, that was updated with a few extra revisions in 2012. Again, we support this, we support having it done on an annual basis. I will tell you that from my standpoint it won't simply be an annual-only basis that we review our safety standards, it would be a continuous process.

LOWE: It just seems to me that this ought to be a local thing that, that you would just go ahead and do this, get it taken care of. The city would pass an ordinance that this needs to be done.

AUSTIN ROWSER: Agreed.

LOWE: Thank you.

WAYNE: Any other questions from the committee? I'm just confused. And I guess I don't understand-- and I come from a background where most of our rules and regulations in the railroad industry were written in blood and death. And for, for a widow to have to come down and testify on a state law because the city is not doing it is just kind of unbelievable to me. So I guess I'm trying to figure out the interaction between in Omaha we have a lot of state-owned roads, particularly in my district highway. When you guys hop over and work

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on those don't you have to follow certain protocols, standard procedures that are different from the city? And aren't those reviewed yearly in our Department of Transportation or--

AUSTIN ROWSER: The state, the state adopts the MUTCD, and that document is certainly one that we follow. Again, we have, we have this document specific to the city of Omaha that is above and beyond in addition to what the MUTCD requires. The state doesn't have that document. The state highways that pass through the city of Omaha, they become the responsibility of the city of Omaha to maintain, with the exception of the expressways. So anything that is an arterial or lower classification, the city would maintain. The state does provide some reimbursement for that. They allow us to do that within our, within our standard operating procedures. And so that's-- those are the documents that we follow. Again, we have an additional document to the MUTCD that is greater than that document.

WAYNE: So prior to this incident, at the city level what was being done?

AUSTIN ROWSER: So I can't speak prior to-- I first arrived at the city of Omaha in 2012, which was after the Alicia Ray incident. So when I arrived, we were full on in the Alicia Ray mode, which that consent decree expires this year, 2019. And I will tell you from my own standpoint that, even though that document expires, and that requires annual training for our people and annual recognition of the incident that occurred with Ms. Ray, I have every intention of continuing the stipulations of that document because, again, the document that we adopted in addition to the MUTCD outlines above and beyond even what the Alicia Ray document was requiring of us. And so, to me, it's the right thing to do for the safety of our workers, for the safety of the traveling public that might encounter them. And so we would continue with the provisions of that consent decree even though it expires.

WAYNE: And so not to put you on the spot, but I have to clarify for the record. Are you test, are you testifying here on behalf of the city of Omaha in favor of this?

AUSTIN ROWSER: Yes, I am.

WAYNE: Or just an individual?

AUSTIN ROWSER: Omaha Public Works Department.

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WAYNE: OK. I'm just confused on why the city is supporting a law they could do themselves, back to Senator Lowe's question.

AUSTIN ROWSER: Well, our contention is we do it ourselves. But certainly would support additional support from the Legislature as well.

WAYNE: Thank you. Any other questions? Seeing none, thank you for being here today.

AUSTIN ROWSER: Thanks for having me.

WAYNE: No problem. Any other proponents? Anybody, any opponents? Anybody here in the neutral capacity? Senator McDonnell, you're welcome to close. And before you start, I just want to write in the letters of support: Thomas Fidone, Shirley Fidone, Councilman Vinny Palermo, Lisa Fidone, Salvador Fidone IV, Rich Fidone are all letters of support.

McDONNELL: Coming from a firefighter background, I believe you can take a dangerous job and make it safer if you have management and the employees working together. We all get busy. Things happen. You start working on different projects then pretty soon it's six months, a year, year and a half, two years. In this instance it's been from 1999 until a tragedy occurred in 2017. What this bill does is make sure that we, on an annual basis, that that management team and those employees sit down and look at how you take a dangerous job and make it safer. That's what this is doing. I'll answer any of your questions.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

McDONNELL: Happy Fat Tuesday.

WAYNE: There you go. With that, we will close LB520. That will end our hearings for today and for the year, unless I get a crazy amendment that we have to come back and have a hearing. Go off the record. We won't exec today. But all these kind of have some amendments to them that were kind of handed out and stuff. So we'll get everybody. And what's today, Tuesday?