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**LINEHAN:** [RECORDER MALFUNCTION] --members, staff, pages and public. We ask those attending our hearings to abide by the following procedures. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing room when it is necessary for you to attend the bill hearing in progress. The bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that everyone utilize the identified entrance and exit doors to the hearing room. We request that you wear a face covering while in the hearing room. Testifiers may remove their face covering during testimony to assist committee members and transcribers in clearly hearing and understanding their testimony. Pages will sanitize the front table and chair between testifiers. Public hearings for which attendance reaches capacity or near capacity, the entrance door will be monitored by the Sergeant at Arms, who will allow people to enter the hearing room based on seating available. Persons waiting to enter a hearing room are asked to observe social distancing and wear a face covering while waiting in the hallway or outside the building. We ask that you please limit or eliminate handouts. The committee will take up the bills in the order posted. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please turn off your cell phones. The order of testimony is introducer, proponents, opponents, neutral and closing remarks. If you will be testifying, please complete the green form and hand it to a page when you come up to testify. If you have written materials that you would like to distribute to the committee, please hand them to a page to distribute. We need 12 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell both your last and first name. Please be concise. It is my request that you limit your testimony today to three minutes. You'll have-- four minutes, I'm sorry. You'll have three minutes on green and one minute on yellow and then you need to wrap it up. If there are a lot of people wishing to testify-- covered that already. If your remarks were reflected in previous testimony or if you would like your position to be known but do not wish to testify, please sign the white form on the

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table outside of the room by the entrance. It will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. I would like to introduce committee staff, if they were here. If she comes back, committee counsel is Mary Jane Egr Edson, who usually is sitting right here. To my immediate left is research analyst Kay Bergquist. And Clarissa?

**KRISSA DELKA:** Krissa.

**LINEHAN:** Krissa, at the end of the table, is serving as our committee clerk today. Now, I would like senators to introduce themselves. And Senator Flood, can you just introduce yourself, even though you're sitting there?

**FLOOD:** Mike Flood, District 19: Madison and Stanton County.

**LINEHAN:** There's a lot of hearings going on, so I'm sure the rest of them will be here shortly, but--

**LINDSTROM:** Brett Lindstrom, District 18, northwest Omaha.

**BRIESE:** Tom Briese, District 41.

**LINEHAN:** Our pages for this afternoon are Jason, who's at UNL studying political science and history; and Reid, who's at UNL studying ag econ. Please remember that senators may come and go during our hearing, as they have bills to introduce in other committees. And we've got a lot of exec committees going on, so that's why they should get here. Refrain from applause or other indications of support or opposition. I would also like to remind our committee members to speak directly into the microphones. For the audience, the microphones in the room are not for amplification, but for recording purposes only. Last, we are an electronics-equipped committee. Information is provided electronically as well as in paper form. Therefore, you may see committee members referencing information on their electronic devices. Be assured that your presence here today and your testimony are important to us and critical to state government. So with that, we will open on-- do we have a number? AM373, welcome Senator Flood.

**FLOOD:** Thank you, Chair Linehan, members of the committee. My name is Mike Flood, F-l-o-o-d, I represent District 19, which includes the city of Norfolk. And I want to extend a sincere thank you to the

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committee. Sometimes you are allowed more than you deserve, and this is certainly one of those occasions. For purposes of background and for those who have chosen to testify or are watching today online, Senator Lindstrom introduced LB39, a bill that proposes to extend turnback tax to sports facilities that would attract folks from other states and within the state to allow anything from young adults, children and adults to compete in sports competitions. As a member of this committee, I was present for that hearing and I could see the benefits to places like Omaha for its Tranquility Park project. And as I started thinking about the use of the funds for the city of Omaha on that Tranquility Park project, I thought about the 30 percent that would normally go to the CCCFF. Because Senator Lindstrom's bill really targets sports and athletic facilities, I thought there was some value to having parity for those young people especially, who may not be athletically inclined, but engage more with the arts. And so I, as a member of this committee, proposed to this committee that we for this use only, for this special authorization allowed in LB39, divert the funding from the 30 percent portion that would normally go to the CCCFF fund to first-class cities that have a creative district as defined in our statutes. I want you to know that I have been working with the League of Municipalities on this concept and I have a, an amendment that even now includes their suggested changes that I would like to pass out. And it also has in there several letters of support to save the committee some time from different organizations in my district that are very much for this. I'm also going to be handing this out. This is a publication of the National Governors Association, and it's titled, The Creative Sector: A Proven Economic Catalyst for Rural America. And in it, you'll see that our Governor Ricketts is identified as one of the governors in America that has made a change in the way we view the arts and its relationship to economic development. Two years ago, I began a process thanks to the Aksarben Foundation called Growing Together. And in this effort, and I'll pass out this book, I've been working with over 40 leaders of northeast Nebraska to, to really address one issue, and that is the rural decline in population. We have met for hundreds of hours over the course, I don't know, maybe over 50 hours over the course of, of two years. I'll keep one of those, thank you. And we brought in everything, everybody from research analysts at UNO to physicians in our community, to farmers, to bankers, citizens, low income, high income. And one of the recommendations that has been proven out in the data is that there is an absolute link between artistic expression and

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business innovation. I would have never predicted it, nor would I have likely voted for it as a member of the Legislature serving before. But I am convinced that using creative districts as defined in our statute, following a bill that was introduced and passed and signed into law by the Governor last year, we can enhance the opportunity for business innovation in rural communities. We have to find a way to appeal to everyone. And sports are something that, that cities like mine do very well. We have a great YMCA, we have great structure, we have youth sports, we have athletics. Access to the arts is something that we sometimes struggle with in rural America. And I believe that this change for this purpose under Senator Lindstrom's bill going from the CCCFF fund to the, to first-class cities is going to create a future for cities the size of mine and bigger and smaller, first-class cities are cities with a population of over 5,000 population, if I remember correctly. Just a couple key notes here. This amendment does not take away anything from existing projects. Senator Lindstrom's bill is an addition to the turnback authority provided. This does not take any of the money away from the CCCFF, the CHI money, the CHI Center money, the Pinnacle Bank Arena and Ralston Arena-- or Ralston Arena money continue to go into the CCCFF fund and will continue to be distributed by that fund. This diverts only the money that is collected through the turnback under Senator Lindstrom's bills. And the last thing I'd like to really focus on before I close is dosage. Something that I have really been thinking about in my service for the last couple of months has been, are we better off handing out a lot of grants to a lot of different places or is it better to be strategic and focus our resources to make big things happen? Not that every grant isn't big, but this amendment essentially says that if you've got a 10-year plan and you've got a creative district, you're in a competitive process to get a grant of no less than \$1.5 million. And my idea here is that the, the grant should be a catalyst for major change in a city of the first class. Now, if you're a city of the second class or you're a village, you may say, what about us? And what I would say to that is that I believe in dosage. And in my time in the Legislature, as things continue, as we continue to find ways to grow rural Nebraska, I'm interested in finding the same types of opportunities for cities of the second class and villages. I just want to achieve dosage on a first-class cities to start. So I guess I can't, I can't understate how important I think it is for rural Nebraska to engage in this. And you'll see in the book that I handed out that this is a comprehensive strategy that we've identified that

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we believe can work in northeast Nebraska and not just for Norfolk,  
but for the counties around it. Thank you.

**LINEHAN:** Thank you, Senator Flood. Are there questions from the  
committee? Seeing none, thank you.

**FLOOD:** Thank you.

**LINEHAN:** The first proponent, please.

**SUZANNE WISE:** Good afternoon, Senator Linehan and members of the  
committee. I'm Suzanne Wise, that's S-u-z-a-n-n-e W-i-s-e, and I'm the  
director of the Nebraska Arts Council. And I rarely testify in front  
of Revenue, and I thought that particularly since we are part of this  
amendment, that it was kind of important that you understand what our  
role would be in all of this. But first, I'd like to say that the  
creative community concept has a national profile, as you found out,  
and research on the efficacy of creative communities in economic  
development has a bibliography that spans several decades. More  
recently, attention has been paid to rural economic development and  
the positive role that cultural districts have had for smaller cities.  
In the interest of time, I could, I could name some other communities  
in other states where this has been particularly helpful, but I'm  
going to move on and you can ask me at the end of my testimony, if  
you'd like. I've passed out just a one-page cheat sheet. So if someone  
asks you what a cultural district is, you could see it summarized very  
briefly on that one-page document. We are currently in the process of  
making applications available. That will come out, that will be rolled  
out this fall because, of course, the legislation from last year has  
rules and regulations that we are having to develop, and so that will  
be done by this fall. And what I've handed out to you is the first of  
three phases to be designated as a cultural district, which will then  
enable that community to access the funds from this amendment. So the  
second thing that I passed out shows you what we are asking a  
community to complete in the initial phase. And if you know anything  
about community planning, you'll recognize a lot of the questions that  
we're asking them, the way the strategies are for the SWOT analysis  
for defining a district and asking leading questions. I want to make  
it clear this is not just the arts community. In order for the  
community to pass muster at all, it has to be a combination of the  
creative sector, the business community and city government. So all of  
those pieces have to be in place. And together, this is the document

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or-- the completed document you've got a draft of what they will complete. We will then analyze it, work with them on things we need, we think they need to improve. If they're approved, they go on to the second phase, which is that strategic planning process, which I think as Senator Flood has indicated, is really critical if a community is going to ask for the kinds of dollars that will be available. So a 10-year plan is really an important part of this. And again, it's something that we would monitor. Our staff is comprised of specialists in arts education, community development and public art. And they travel the state every year, except this last year, so they know our communities in Nebraska very well. They know how they differ, they know their capacity, and therefore they have a really good sense of what it is that each of these communities will need to accomplish in this phase. Then if the strategic plan is approved, then they get the official cultural district designation. And at that point, then funding can be applied for through this amendment and then released on whatever basis is worked out for that distribution of funds. So that, in a nutshell, is how this will work with our agency. As you probably know, we have a roughly \$4 million budget. About \$3 million is out the door in grants throughout the state, somewhat equally distributed between district-- congressional district 2, biggest, one, third district, and then we have statewide programs. So with that, I'm going to stop, and if you have any questions, I'm happy to answer them.

**LINEHAN:** Thank you very much. Are there questions from the committee? Senator Pahls.

**PAHLS:** Thank you, Chair. You said you traveled throughout the state of Nebraska.

**SUZANNE WISE:** Um-hum.

**PAHLS:** In a very short period of time, just name some community out west where you would say this would be viable. I know they haven't applied for [INAUDIBLE], but just that would capture their interest.

**SUZANNE WISE:** Well, there's a testifier today, and that's Kearney is certainly one, Grand Island, Hastings, McCook, Scottsbluff-- Scottsbluff, Gering. We've got the interest from Chadron. I've even gotten a request from Dawson County asking can Dawson County be a cultural district. And I've been kind of thinking about it, and I don't know. I think we'd have to work that out. They would have to

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make a real case for how they would get Gothenburg, Lexington and  
Cozad to work together to create something that would be a viable  
economic development generator for all three communities.

**PAHLS:** So what you just told me that there, there is a lot of interest  
out there.

**SUZANNE WISE:** There's a lot of interest.

**PAHLS:** So we just need to find the tool to make it happen.

**SUZANNE WISE:** Yes.

**PAHLS:** Thank you.

**LINEHAN:** Thank you, Senator Pahls. Are there other questions from the  
committee? Seeing none, thank you very much for being here.

**SUZANNE WISE:** Thank you.

**LINEHAN:** Next proponent. Good afternoon.

**STEVE BARTH:** Hello, members of the committee, I am Steve Barth,  
S-t-e-v-e B-a-r-t-h. I'm here representing Kearney as president of the  
Kearney Cultural Partners. I want to say thank you first. In 2020, the  
Legislature voted to approve cultural district designations in  
Nebraska. This was a huge victory not only for the arts organizations  
in our state, but also for all of the communities as a whole. I'm here  
today to share with you the impact that a cultural district  
designation, along with a complementary grant, would have on the  
community of Kearney. Arts and culture have always played a vital role  
in our community. We are home to the Merryman Performing Arts Center,  
Museum of Nebraska Art, historic World Theatre, Kearney Symphony  
Orchestra, and many other longstanding arts institutions. Eight years  
ago, we formed the Kearney Cultural Partners. This is a coalition of  
20 arts and culture organizations. We meet monthly to coordinate  
programs and marketing efforts to promote Kearney as a cultural  
tourism destination. This partnership has proven extremely successful  
for all of us. Since the formation of Kearney Cultural Partners,  
nearly every entity has increased membership, increased revenue and  
increased programming. In fact, a recent economic impact survey  
conducted among our organizations shows that our collective earned  
revenue has increased by 32 percent since 2010. It also shows that for

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every dollar spent on the arts in our community, it generates 11 dollars back into the local economy. We have certainly become an economic engine for our community, while enriching it at the same time. A cultural district designation and grant from the Nebraska Arts Council would enable our organizations in Kearney to continue the progress that we've already begun. I currently serve as the executive director of Crane River Theater in Kearney, it's an organization I founded 12 years ago. In our first year, we reached nearly 4,000 audience members with our productions. Fast forward 10 years later, we are now entertaining more than 26,000 audience members each year with our shows. This growth would not have been possible without the assistance of the Nebraska Arts Council and the grants they provide. And Crane River Theater is just one of 20 arts and culture organizations in Kearney. Grants that support cultural districts will have a long-lasting impact on communities. I urge you to think of these grants not just as a cultural district grant, but as a community enrichment grant, an educational impact grant, and an economic vitality grant. Kearney Cultural Partners is a perfect vehicle to expand on the growth that is already taking place in our community. The Museum of Nebraska Art recently announced a multimillion dollar expansion. The historic World Theater just reopened its doors last week after an \$800,000 renovation. And the Merryman Performing Arts Center continues to draw in audiences from across the state with nationally recognized talent. We are proud to have unwavering support from our community to develop a 10-year plan creating a cultural district. They are invested with to hope that you will choose to invest in the arts in our state with your support of cultural district designations and grants. Thank you very much.

**LINEHAN:** Thank you. Are there questions from the committee? Seeing none, thank you very much for being here.

**STEVE BARTH:** Thank you very much.

**LINEHAN:** Next proponent. Are there any other proponents? Are there any opponents? Afternoon.

**CRYSTAL DUNEKACKE:** Good afternoon, Chairperson Linehan and members of the Revenue Committee. My name is Crystal Dunekacke, C-r-y-s-t-a-l D-u-n-e-k-a-c-k-e, I live in Humboldt, Nebraska, and I'm here to testify in opposition to the AM373, representing the Nebraska Economic Developers Association, or NEDA. I'm the community program manager for



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the Southeast Nebraska Development District, where I write and administer grant programs for communities across southeast Nebraska. The Civic and Community Center Financing Fund, or the CCCFF, as I'll refer to it, is a valuable resource for many communities across the state. I personally assist the communities in writing and administering these grants, including a municipal auditorium in the city of Humboldt, park and playground renovations for the villages of Adams, Table Rock and Steinauer, and planning projects for the city of Nebraska City and the village of Malcolm. In each of these examples, communities were able to come together to fundraise private dollars to match with state and local funds to complete their projects. And these projects added quality of life to our communities to help make them a great place to live, work and raise a family. The same is true for many projects that are completed across the state of Nebraska, including library projects in Norfolk and Plainview, the historic Allen theater renovation in Cozad, the Flatwater Pavilion in Ogallala, and the Fullerton municipal pool, which will be opening this summer. These projects support local arts, learning and recreation in vill-- in villages and cities across the state. Since this program began in 2004, a total of 33 projects have been founded in my area and which include in the Southeast Nebraska Development District for a total of over \$5.4 million in CCCFF grant funds, which have generated at least \$10.8 million worth of investment in these communities. And of the 27 communities that receive these grants, they have an average population of 2,285 residents. These municipalities include cities of the first class, cities like Beatrice, Nebraska City, York and Crete, as well as smaller villages like Steinauer, Tobias and Brownville. And in these smaller communities, these investments are a once-in-a-generational project that are critically important to their being able to provide public facilities for their residents and create an asset that lasts. The CCCFF process is efficient and makes sense for our communities. Each project requires a minimum of one local matched dollar to each CCCFF grant dollar, ensuring local costs and buy-in from the local organization. These grants are limited depending on the size of the population of the community and the amount of funds that are available to grant each year. The program allows for communities of all sizes to access funds for projects that might not otherwise be possible. I was mayor of the city of Humboldt during the CCCFF renovation of our municipal auditorium, and I can tell you firsthand that these grant dollars were essential in saving our WPA-era limestone auditorium in our community. Many of these projects that I work with as a great

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writer are small rural communities with limited resources who stretch every dollar to provide quality public facilities for their residents and the region. And their-- on the other hand, I also have communities who are experiencing substantial growth and planning for the future to ensure that residents and employers alike know that they're poised to provide the housing and amenities required for a quality workforce and those that want to live in their communities are seeking. And it is worth noting that COVID has impacted this program because there were no construction grants funded through the CCCFF for the '20-21 cycle that's going to be announced at the end of the month. So we do know that our communities not only are facing additional costs and their budgets are stretching other ways, but this program is also unavailable, this year, at least, for them to be able to make investments in their community. NEDA discourages the redirection of funding from the CCCFF program into other community programs. Investments in the arts and other economic activities shouldn't come at the expense of existing programs. And I realize that there's a-- this is an additional funding source, but as I mentioned, there are some economic impact, impacts that are happening in our communities as a result of COVID. If the CCCFF program could be improved to increase its effective utilization, NEDA would be glad to see those, those revisions happen to see those investments continue across the state. NEDA supports community arts and would welcome continued conversations on the topic. Regarding this amendment and future proposed amendments, I encourage each of you to reach out to your local economic development organizations and ask how this bill and additional amendments would impact your communities. I just want to thank you for your continued support of economic development in Nebraska and let you know I'd be glad to answer any questions you might have.

**LINEHAN:** Thank you very much. Are there questions from the committee? Senator Briese.

**BRIESE:** Thank you, Chairman Linehan. Thanks for your testimony here today and for being here today. But we've heard testimony prior to yours about the importance of arts to, promotion of the arts as we try to grow our communities and attract residents to our communities, right?

**CRYSTAL DUNEKACKE:** Sure.

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**BRIESE:** And you would tend to agree with that, wouldn't you, that that can be important?

**CRYSTAL DUNEKACKE:** Yeah, and that's, that's I think one of the things that we talk about with NEDA, is that we want to make sure that it's done in an effective way that isn't done to the detriment of our communities. And being a resident of small-town Nebraska, I always say that, you know, there's opportunities out there for cities of the first class that our small villages and cities don't have.

**BRIESE:** Sure. So but if this bill, if the current amendment was amended to just peel off some of the future revenue from new projects related to, I think it's sports arenas, you wouldn't object to that though, would you?

**CRYSTAL DUNEKACKE:** I think we're interested in continuing the conversation.

**BRIESE:** Sure.

**CRYSTAL DUNEKACKE:** We've seen a couple of additional amendments that might be in the pipeline. So I think that it's worth an initial conversation. But I just wanted to speak with you today to learn and to share a little bit about my experience at CCCFF and the importance that it has for second-class and smaller rural cities in Nebraska.

**BRIESE:** Sure. No, very good, I appreciate that. But, but diverting off a small portion directed towards the arts and towards things of that sort would probably be consistent with your goals, I would say.

**CRYSTAL DUNEKACKE:** It would be consistent, but it would still be a conversation. I mean--

**BRIESE:** Sure.

**CRYSTAL DUNEKACKE:** --you know, a couple million dollars to other people might seem like small amounts of diversion, but to us in rural Nebraska, where these grants are reaching \$15,000 to, you know, \$350,000, they're big projects to us.

**BRIESE:** OK. Thank you.

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**LINEHAN:** Thank you, Senator Briese. Are there other questions? Senator Bostar.

**BOSTAR:** Thank you, Chair Linehan. Thank you, ma'am. So and I'm just trying to follow up on Senator Briese's question. So the amendment before us, would it, I mean, you're currently receiving money through the CCCFF.

**CRYSTAL DUNEKACKE:** Um-hum.

**BOSTAR:** Would this amendment reduce how much money is going into that?

**CRYSTAL DUNEKACKE:** So basically the turnback dollars that we already get from CHI, Pinnacle and some of those other, Ralston Arena, for example, are already set up through the CCCFF fund. And this would divert those funds and, and instead of following that normal process, would divert them instead of the council for the arts. So while technically it wouldn't divert anything that's existing, we still are suffering with post-COVID effects, because at least buying concert tickets these days to help fund the CCCFF currently, so we are experiencing some negative effects from that.

**BOSTAR:** So it would only, though, it would only really be a cost to the fund if the underlying bill, that LB39 were to advance from this committee and pass.

**CRYSTAL DUNEKACKE:** Um-hum.

**BOSTAR:** So I suppose if given the, if given the choice, and I understand that you're just here on this amendment--

**CRYSTAL DUNEKACKE:** Sure.

**BOSTAR:** --but between not having LB39 passable or having LB39 pass with this amendment, which do you think-- which would you prefer?

**CRYSTAL DUNEKACKE:** Well, I can't speak for the entire NEDA organization, that's statewide, but I think that money for investment in art communities is good. We just want to make sure that you're taking in smaller communities into consideration with some of the programs that it could also help, as well as some of the larger first-class cities.

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**BOSTAR:** Thank you.

**LINEHAN:** Thank you, Senator Bostar. Senator Pahls.

**PAHLS:** Thank you. You mentioned that-- where do you receive some of your funds from, the turnback?

**CRYSTAL DUNEKACKE:** Um-hum.

**PAHLS:** What org-- what, what are those turnback?

**CRYSTAL DUNEKACKE:** Those come through to the statewide CCCFF organization and then disperse through Nebraska economic-- or the Department of Economic Development.

**PAHLS:** What name-- you did, you mentioned CHI. What are the, that contribute to that fund?

**CRYSTAL DUNEKACKE:** To my-- I think Senator Flood mentioned CHI, Pinnacle and Ralston specifically. I don't know if there are any further reaching ones that you would receive those dollars from. That's all I'm aware of.

**PAHLS:** And the reason why I'm doing that is because we hear so many things about, and those dollars are coming from--

**CRYSTAL DUNEKACKE:** Um-hum.

**PAHLS:** --the Omaha area and the Lincoln area. I'm just trying to say--

**CRYSTAL DUNEKACKE:** Sure.

**PAHLS:** --that a lot of these dollars that we do turn back go not only to, like, Omaha, but they also go-- which I think they should.

**CRYSTAL DUNEKACKE:** Sure.

**PAHLS:** That's the great thing about this, about those dollars going to the smaller communities.

**CRYSTAL DUNEKACKE:** Well, if you go into the parking garages at any of those events, you're going to see license plates from across the state and region that help fund that as well so.

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**PAHLS:** Yeah. Thank you.

**CRYSTAL DUNEKACKE:** Thank you.

**LINEHAN:** Thank you, Senator Pahls. Other questions from the committee?  
How many people does Steinauer have?

**CRYSTAL DUNEKACKE:** 100.

**LINEHAN:** [INAUDIBLE].

**CRYSTAL DUNEKACKE:** That's the smallest one that's received a grant  
since 2004.

**LINEHAN:** OK, thank you very much for being here.

**CRYSTAL DUNEKACKE:** Thank you.

**LINEHAN:** Next opponent? Is there any other opponents? Is there anyone  
wanting to speak in the neutral position? Seeing none, is--

\_\_\_\_\_ : Lynn Rex wanted to talk too.

**LINEHAN:** I don't know where she is. Just is this neutral or--

**LYNN REX:** It's neutral.

**LINEHAN:** OK, perfect.

**LYNN REX:** Senator Linehan, members of the committee, my name is Lynn  
Rex, L-y-n-n R-e-x, representing the League of Nebraska  
Municipalities. I apologize for being a bit late, I had a phone call  
from someone, a senator. That being said, I really appreciate working  
with Senator Flood on the amendment that he handed out to you, which  
is an amendment, the red language to AM517. And there are several  
reasons why we went from what was opposition to neutral on this.  
There's no question the CCCFF has been extremely important for  
municipalities, small and large, all across the state of Nebraska.  
Extremely important. This, we think, takes on a different meaning in  
terms of the way that this is structured. We appreciate, again,  
Senator Flood working with us. On page 2 of the amendment, and I'm  
looking at AM517, this makes it clear that it's after the effective--  
we're dealing only with those projects and sports complexes after the

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effective date of this act. So this will not impact any of the funds that are currently going into the CCCFF. We are concerned about precedent. That being said, we also are very important-- we think it's important to look at the constitutional issues, and this, the amendment, especially to red language, addresses that. So on page 4 of AM517, the grant funding goes to any city of the first class which has a designated creative district within its boundaries that has a 10-year plan for integration of the arts intended to catalyze economic or workforce development initiatives in such city. It goes on to talk about how this will be done, and it is done through the municipality in concert with a creative district. And one of the things that we think is very important here is just the fact that this takes a little bit different approach to what has normally been done with the CCCFF. The CCCFF has funded really big projects in first-class cities, and it's also funded a lot of ones for smaller communities too. Some of there's are big and just as important to them. This creates a little bit different perspective, and we think has a real opportunity to do some, to have some innovation, but yet make sure it protects the integrity of it, for this to come through a municipality because there are constitutional issues. A city cannot do directly that which it cannot do-- cannot do indirectly that which you cannot do directly. This bill accommodates that. And again, I think that there are some other things Senator Flood has indicated he's prepared to do for smaller cities in the future, which we're prepared to work with him on that as well. So we think this is an innovative idea. And again, this brings us to, from a position of opposition to neutrality if this is adopted. So with that, I'm happy to respond to any questions that you might have. And we really appreciate his willingness to work with us.

**LINEHAN:** Thank you. Are there questions from the committee? Okay, so on page 2, we cross out as follows "Beginning in 2014". So did this program begin in 2014, or is it older than that? Because CHI--

**LYNN REX:** OK, so the CHI was done through the Convention Center and Arena Financing Act, which is a different act entirely.

**LINEHAN:** And that was done when?

**LYNN REX:** 1991.

**LINEHAN:** OK, so this hasn't been a program since 1991?

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**LYNN REX:** No, no. There are three different acts. So you have several years ago Senator Burke Harr worked with, within this committee to come forward with basically different requirements. All three arenas have a little bit different areas in terms of the area the throwback sales tax applies to, the length of time, the amount of money. For example, the Sports Arena Financing Act has got a \$50 million cap on it, whereas LB181, which was before your committee, would have increased that cap for that act to go from what was 75 to 150. That's LB181. We think that that's a really, really important bill also. So basically you have three different acts, three different, different sets of conditions for those three different arenas. And those arenas of course were first what was then the Qwest Center, now CHI, Pinnacle Bank Arena and then Ralston Arena.

**LINEHAN:** But when did the program you're talking about defending start?

**LYNN REX:** I'm sorry?

**LINEHAN:** When did the program you're defending, this--

**LYNN REX:** Oh, the Sports Arena Financing Act?

**LINEHAN:** No, the--

**LYNN REX:** This-- OK, so the CCCFF that started with basically in 1991, and the reason for that--

**LINEHAN:** Oh, it does go back to 1990.

**LYNN REX:** Yes, it does.

**LINEHAN:** That's what I'm trying to figure out.

**LYNN REX:** Yes.

**LINEHAN:** OK.

**LYNN REX:** I'm sorry. I wasn't--

**LINEHAN:** No, no, no, that's--

**LYNN REX:** --understanding--



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**LINEHAN:** --that's--

**LYNN REX:** --your question.

**LINEHAN:** I wasn't asking the question right. OK, that's it. Any other questions? Thank you very much for being here.

**LYNN REX:** Thank you very much.

**LINEHAN:** Are there any others who want to testify in the neutral position? Do we have any letters for the record or testimony dropped off? Senator Flood, would you like to close?

**FLOOD:** Chair Linehan, thank you for the opportunity just to make a few closing comments here. The fact that Kearney showed up to testify in support is like a badge of honor. In 1980, Kearney and Norfolk were both 20,000 in population. And in 2020 or 2019, Norfolk was at 25,000 and Kearney is at 35,000. Kearney is growing at over 400 people a year. And what they are doing is working. And no, it's not because they have an interstate. No, it's not because they have UNK. There are lots of cities in America that have those two types of facilities or institutions. Kearney is growing because it has cultivated a well-rounded community, and they, as you can see, use the arts and inject the arts and culture into their community life. And the fact that someone from Kearney drove out here to testify in support is, is the gold standard for me, because they are one of the gold standards in the state in rural Nebraska. As it relates to the opposition from the north-- from the Nebraska Economic Developers, I do think I need to correct some of the testimony. It was stated that this would be diverting money from the CCCFF. There will be no diversion of any funds on any level. This is new money that's coming in under Senator Lindstrom's bill that's going that direction. I will say that I'm profoundly disappointed by their opposition, and I lay the blame for that on me, for not as a rural Nebraskan inspiring them to see the value of what I'm trying to accomplish here. And I would add for the record that when I was here before, I did work with the League of Municipalities and libraries as an eligible recipient under the CCCFF. And so I've been on the front lines with the north-- with the Nebraska Economic Developers, trying to add opportunities for them. The fact that they came in today and opposed it is something that hopefully we can rectify as we go forward. Third, the CCCFF, and if I knew what it actually stood for, I'd tell you. It's like the--

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**LINEHAN:** Thank you.

**FLOOD:** --convention center--

**LINEHAN:** That would be helpful.

**FLOOD:** --something financing facility. But it is a success story. Of all the times that you hear about programs that don't go anywhere, when Senator Lynch introduced the bill in 1999 and it was passed and started in 2001, when this CCCFF was formed, it has made a difference for a lot of communities. And I have heard from many of those communities in the process of this amendment, and I think we should be proud of it and I don't want it to be compromised. And finally, I'd just like to say I appreciate the League of Municipalities for working on this. It would have been easy for them to come in and oppose it. But Lynn Rex and her staff have dug in and worked on an amendment that you have a copy of. So with that, I also want to thank the committee for allowing me to have this. And I would also say to those that came in support and opposition, in the committee statement, if this does go forward, I'd like both sides to be reflected so that anybody on the floor can see that the committee indulged us on this and I hope the public had a fair opportunity to come in and state their opinions on either side. That's all.

**LINEHAN:** Thank you. Are there any questions for Senator Flood? Seeing none, thank you very much. That brings the hearing on [INAUDIBLE] AM373 to a close.