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Appropriations Committee
January 23, 2012

[LB808 LB859]

The Committee on Appropriations met at 1:30 p.m. on Monday, January 23, 2012, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB808 and LB859. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; John Nelson; and Jeremy Nordquist. Senators absent: Danielle Conrad, and John Wightman.

SENATOR HEIDEMANN: I think we're going to go ahead and get started today. Welcome to the Appropriations Committee, first public hearing of the year actually. We are going to start with self-introductions of the Appropriations Committee, starting over to my right.

SENATOR NORDQUIST: Jeremy Nordquist, state senator for District 7, downtown and south Omaha.

SENATOR HANSEN: I'm Tom Hansen from Lincoln County, District 42.

SENATOR HEIDEMANN: Sitting next to his left is Senator Danielle Conrad, who won't be with us today. She's a new mother and she's at home today. Also, Senator Wightman, John Wightman from Lexington is not in the Legislature today so he will not be with us, but he's on Appropriations. Our fiscal analyst at the present time is Jeanne Glenn. I am State Senator Lavon Heidemann, Chairman of Appropriations Committee. To my left, who checked in but has a bill that's up in committee, he had to leave already, is Senator John Harms from Scottsbluff. And then to his left...

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

SENATOR FULTON: Tony Fulton, District 29, Lincoln.

SENATOR MELLO: Heath Mello, District 5, south Omaha and midtown.

SENATOR HEIDEMANN: And there's a few of us, the senators, have bills in other committees today. You'll see them leave and come at various times. I think Senator Mello has a couple bills up actually. It's not that what you're doing is not important, but just we have other things going on at the same time. Committee...Appropriations Committee clerk is Anne Fargen. Way to the left, our page for the day is Christina, a great resource if you need to have something done. At this time we ask that if you have cell phones that you please shut them off as not to be disruptive later. Testifier sheets are on the table or near the back doors. We ask that you would please fill them out completely and put them in a box on the table when you testify. At the beginning of your testimony, to help the transcribers later, we ask that you would please state and spell

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your name. Nontestifier sheets near the back doors if you do not want to testify but would like to record your support or opposition, you only need to fill this out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of your testimony. We need 12 copies. If you don't have 12 copies, we can make that work. We ask that you please keep your testimony concise and on topic. At this time I want to take a poll of the people that are here with thoughts of testifying on LB808, and from that I'm going to see whether we use the light system or not. Who wants to testify in support or opposition to LB808? Okay. I think at this time we won't use the light system. We ask you to keep it as short as possible, get the information that you want to hear the Appropriations...have the Appropriations Committee hear, but we do ask you to keep it within three or four or five minutes. So with that, I think we are going to start the public hearing on LB808. Senator Scott Lautenbaugh, welcome.

SENATOR LAUTENBAUGH: Thank you for having me. This is my first foray before the Appropriations Committee. Members of the committee, the remaining members of the committee, thank you for your attention today. This is kind of going to be unusual testimony, and I apologize. You alluded to this before, Mr. Chairman. I have another bill that's up in Education so I'm probably going to open, bolt out the door, go open, hopefully come back and close. But I will likely be absent for most of the testimony and I apologize for that. I think it's important to note that this bill has been sort of described by many as one thing but, in reality, it is something quite different. What we are talking about here is allocating funds to explore the potential of hydroelectric power generation along the Platte River, specifically along Interstate 80. There's a reason that this is saying we need to study it, not this is what we should do. There are many unanswered questions as to how much power we can generate, how large a dam we would have to have to generate X amount of power to make it worthwhile, what the practical effects of that would be. But I think...and I'm not usually described in the body as a green senator or the representative from the Sierra Club, that's not my role normally and I don't see anyone disagreeing on the panel and I understand that. But we've got some hard choices to make coming up here, and whether we want to or not, they will be upon us. We do need electrical power, that much is certain. But as coal becomes probably more expensive and maybe more difficult to get here, as we try to develop wind but are cognizant of the fact that the wind needs to blow before the wind turbines are useful, and as we look at possible issues with our nuclear power generating capacity and the cost of doing any upgrades on that which are almost, as I understand it, cost prohibitive, this is not something that we can turn our backs on. There are certain hurdles to be overcome with some kind of proposal such as this, but I don't know...simply put, the state needs energy, the state needs to grow, and we need to look at how to fund this. I'll be honest. The \$2 million figure that is set forth in the proposal is high. It had been my hope to bring an amendment to the committee that set forth more accurately the cost of what this study would be, and it would be much lower than that. I don't want to throw out a number because then if I'm wrong then you'd say, well, you said it was this, why was it

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not that? But I know the \$2 million was an overestimate based upon a past effort. But I think it's good news that the cost is less but if...or will likely be less, I should say, but even if it were, it is straight up the \$2 million. We can either plan for the future or we cannot, and I think we are here because we are supposed to be looking forward and thinking outside the box and trying to find ways to brighten our energy future, and there will be collateral benefits with that hopefully as well. And that is the purpose of this bill. I'd be happy to answer any questions you might have, but I'll caution you that many of the responses will be, well, that's why we need the study. So I'll do the best I can. [LB808]

SENATOR HEIDEMANN: Senator Hansen. [LB808]

SENATOR HANSEN: Thank you. Thank you, Senator Lautenbaugh, for being here today. Do you know how big a hydro plant that we're talking about on the Platte River in this lake, how many megawatt? [LB808]

SENATOR LAUTENBAUGH: Specifically, no, and that's one of the open questions we have. You know, obviously, the...as I understand it, and I'm going to get out of my depth here relatively quickly, the higher the dam, the more energy you can generate because of the amount of pressure you have behind it. But we have to know if there's a point at which we can construct a dam that is feasible to construct and that the power generated outweighs the cost. That would be part of the point of the study, not to be trite about it but that's what we'd be trying to figure out. [LB808]

SENATOR HANSEN: Thank you. [LB808]

SENATOR LAUTENBAUGH: I can't answer that more directly. [LB808]

SENATOR HANSEN: Thank you. [LB808]

SENATOR HEIDEMANN: Senator Nelson. [LB808]

SENATOR NELSON: Thank you, Senator Heidemann. Thank you, Senator Lautenbaugh. Is the proposal of the hydroelectric, does that suggest that this would be imported to other states and bring income into the state of Nebraska, or is it going to be for our purposes alone within the state? [LB808]

SENATOR LAUTENBAUGH: That would really depend upon a lot of variables with the grid and how much we were generating and how much we needed. Again, that would be something that would be...require expertise beyond my knowledge. [LB808]

SENATOR NELSON: Thank you. [LB808]

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SENATOR HEIDEMANN: Senator Fulton. [LB808]

SENATOR FULTON: Thank you, Mr. Chairman. Thanks for being here, Senator. Who all could have input into the study? Have you envisioned...I mean there will be, obviously, the people of Ashland will want to have input, folks in the Lincoln and Omaha area will want to have input. There's...specifically from my vantage, Lincoln, we get our drinking water from wells that are out in that area so we'll want some specific input. Who would...who do you envision conducting the study such that others could have input? [LB808]

SENATOR LAUTENBAUGH: Well, and we may be talking about multiple tiers to that, if you will, because if there's a threshold question that would just...from an engineering standpoint, I'm not trying to speak into your bailiwick there, I'm just saying from an engineering standpoint this just can't work, well, then it really doesn't matter what input Lincoln has, you know? So there may be...I could envision almost a threshold approach where we get some very basic, technical answers clearly first, and then open to the broader issue of what else would it affect, and then open it to yet even broader issues, depending on where it went. So I didn't conceive of this specifically to limit anyone's input but I think just from a first premises standpoint we would want to know if it was feasible before we were worried about the practical effect on Lincoln's water supply or anything else really. [LB808]

SENATOR FULTON: Would you consider the appropriation made to some department or some agency other than DED? [LB808]

SENATOR LAUTENBAUGH: Yes. [LB808]

SENATOR FULTON: Okay. [LB808]

SENATOR LAUTENBAUGH: Absolutely. [LB808]

SENATOR HEIDEMANN: Where do you envision...it states in the bill I-80 corridor and I envision this could be in Lincoln County, Nebraska. He's shaking his head no. [LB808]

SENATOR HANSEN: Not that far. (Laugh) [LB808]

SENATOR HEIDEMANN: I mean what if the feasibility study says, yes, we can do this but it should be further west? [LB808]

SENATOR LAUTENBAUGH: Then that's what the study would say. I mean I don't...that's what I was kind of trying to allude here at the outset. This is not necessarily to say, and so we should build a big lake someplace. This is, does it make sense to do it there or anywhere else, just from a first principle standpoint or first, you know, premises

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standpoint, if you will? I hadn't thought about Lincoln County. No offense, Senator, I just had not thought about it as a possible destination. I think this is envisioning the I-80 corridor along the Platte as the place where it would be put and I guess that does run a ways so it's possible that it could be farther west. It would just depend on, well, the study, I guess is the best way to put it. [LB808]

SENATOR HEIDEMANN: And have you looked into this at all--I know we have hydroelectric, I believe, on the Kingsley Dam, Lake McConaughy--how economical that is and how feasible that is, how much electricity it generates? Have you looked into that at all? [LB808]

SENATOR LAUTENBAUGH: The specifics of those, no, simply because in some instances we're dealing with very dated generation capacity. And again, in other instances it wouldn't be terribly relevant because again, as I understand it, it comes down to the size of the dam and the pressure you have behind it. I don't know that our experiences in any of those three other places would be particularly relevant to this on whether or not it would be effective or not. So, no, I haven't tried to compare those to that because I don't feel like I even have the answer to know how to compare it to, with what we're talking about. [LB808]

SENATOR HEIDEMANN: And I think that...you made in your opening statement about being proactive, and I actually believe that we should be proactive in government instead of always reactive. But you look at the challenges that we have before us in, I call this, a session of looking for priorities with everything that's out there. What is your thought, what the probability that this would ever happen, and then thinking about that, should we spend this \$2 million on this study thinking about the probability of it ever happening? [LB808]

SENATOR LAUTENBAUGH: Well, two things. Again, I don't believe the \$2 million will represent what I'm actually ultimately asking of the committee. But I do know this. The longer we don't make choices like this, the more expensive and disruptive they'll be. So there would never be a perfect time. A lobbyist in a committee I sit on used a phrase, an old saying I guess it is, that I had never heard before: The best time to plant a tree is 25 years ago; the second best time is today. So I think what he was getting at was that if you're going to do something, the costs only go up. And if the benefits are farther in the future, the current benefits are lessened, if you will. So I understand what you're saying, but I think there's no point in waiting and there will never be a better time, certainly not a perfect time, to at least look at whether or not we should ever talk about this again or never think about it again. [LB808]

SENATOR HEIDEMANN: Thank you. Senator Nelson. [LB808]

SENATOR NELSON: Thank you, Senator. I have just one more question, Senator.

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Received correspondence about previous feasibility studies maybe is no longer than four or five years ago, do you know what those studies provided as far as a basis for moving on and finding that, you know, there was a use for hydroelectric power and development? Do you know what those studies said? Have you looked at... [LB808]

SENATOR LAUTENBAUGH: And I believe there were several previous studies and is there one in particular you're thinking of or...? [LB808]

SENATOR NELSON: No. No, just in general. Did we get past that basic determination of whether, well, there's no point in going any farther on, or did they in fact go farther on beyond the hydroelectric question? [LB808]

SENATOR LAUTENBAUGH: I don't know that we got even fully through the hydroelectric question, to be honest about it. We did not make the appropriation previously, is my understanding. [LB808]

SENATOR NELSON: Okay. Nobody. All right. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB808]

SENATOR LAUTENBAUGH: Thank you, Mr. Chairman. [LB808]

SENATOR HEIDEMANN: And if you don't make it back in time we take it then that you won't be closing. [LB808]

SENATOR LAUTENBAUGH: Yes, sir. [LB808]

SENATOR HEIDEMANN: All right. Thank you very much. At this time we are going to take testimony in favor of LB808. Welcome. [LB808]

HAL DAUB: Mr. Chairman, members of the committee, Hal Daub. I'm a resident of Omaha, Nebraska, and live at 314 North 97 Court, and I'm here in private citizen capacity because of my great interest in this subject. I'll spend just a few minutes. Some of the things I will say will answer some or amplify on some of the questions that have been asked as well. I look upon...I was very surprised when Senator Lautenbaugh introduced this bill and did not know a thing about it. Before he did it, he called me on the phone and said, I just had a bill drafted to take a look at the potential for the production of electricity by using hydroelectricity somewhere along the I-80 corridor, and particularly he said in the area of the confluence of the Elkhorn and the Platte. And I said, well, two things: I'm very much in favor of this; it's something that should be done. I want to divorce my remarks and I'd like the committee to divorce themselves in thinking about this bill from the prior bill Senator Brown carried several years ago. Studies were not done. There have been examinations of this basin by the Corps of Engineers and

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others that go back 40 years. There's quite a long history on this matter. I look at this as an economic enterprise activity. We have three low-head hydro facilities in Nebraska that I know of and they've been quite productive and useful. Their technology is old. Technology now for producing a lot more megawatts of power from much more efficient systems is now available. And the amount of megawatt production is a direct function of how many standpipes there are, how much water goes through them, what the capacity of each pipe is, and whether that pressure that the senator described on the head would be at 1,105 or 1,110 or 1,120 feet above sea level, would be the way that it's measured. And the velocity and capacity of that water clearly through the pipe turns the blades and creates the energy. Low-head hydro is very green, it's very efficient, and it would capture a natural resource that we have that right now is not being utilized and at the same time allow that water, once used, to flow on to its natural riparian and downstream beneficial users without interruption, which is an important feature. And the senator properly said that we likely will have difficulty if ever building coal-fired generation in the future. Certainly the permitting process is at least ten years or more from the start. The ability to rely upon what Nebraska has is its two nuclear facilities. At least in the case of Fort Calhoun, restarting after the flood is one thing. Its useful life and how long it can continue to exist is probably not for a long, long time into the future. I'd say that the subsidy we've been used to in our pure public power state of being able to export electricity produced by nuclear, which in turn is a premium income to the rate base, is going to disappear at some point. While measured in decadal terms, it certainly is within the foreseeable future. And you have wind and solar, unreliable indeed, and you have the potential for natural gas as the other alternative. And again, getting the piping in and the plumbing in and the permitting in for a system that can create that much utility capability, and it still has a carbon footprint as well, although it is cleaner than coal, becomes difficult since we're not used to using it here on this end of the state. So with that in mind, I want the idea of a lake and the fear of that by some to not become the Achilles heel for Senator Lautenbaugh's initiative and for this committee's deliberation and creativity because it doesn't have to be a lake or it could be a smaller lake or one lake or two lakes or three lakes. There are a lot of ways of looking at it. But if the first question isn't answered, that the cleavage and fall of the confluence of those two tributaries is not sufficient to create enough head pressure at some reasonable level, then there's no reason to talk about it anymore and whether there would be recreational and economic development, all those other things that might flow from impoundments. For groundwater recharge, for the purpose of absolutely solving a problem that the Lincoln municipal water folks and the MUD folks have, which is to make sure we impound water in some way on this end of the state because we will see drought again on this end of the state in our lifetimes, that we have groundwater recharge capability for those well fields is important. And when we can capture the natural runoff from our streams and rivers and from waterfall to accomplish that and for agricultural purposes as well as clean and safe drinking water, we ought to be thinking about how to do those things, particularly if it has a component, what I call the economic enterprise component, of being able to pay for all these things. It would generate its income in the

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cleanest way possible from natural resources that we have right within our state. The reason I think that the location is important is because the cleavage of the geography there and the confluence of the dependability of the Elkhorn, which is all year-around spring fed, as compared to the Platte River, which has its variables and depends upon a lot of things, is important as a feature. I think that the cost of the environmental impact statement was \$2 million, so I think that's kind of where maybe the senator's staff got that figure. I didn't talk to him about it before that became a part of the current bill before you. But I think that the question of whether low-head hydro could be configured at a location in that vicinity would be \$100,000 to \$300,000 at the most, because that's the question you have to answer first. You have to have the engineering understanding of whether that capability exists and it's with or without lakes or with or without impoundments. It's a question of can you put enough water at some point into a point of creating a fall sufficient for pressure. Certainly that cleavage doesn't exist at Harlan, if you've been out to see that facility, which I have. So we have more of a fall and more capability here, I would say, than we did and we built it there successfully and it produces megawatts. So I would like the committee to think in terms of the electrical generation, which is an enterprise project which has a rate of return on it, so that if it costs \$200,000 or \$300,000 at the most, and I would think probably you could get a pretty good preliminary engineering feasibility study for \$100,000, that's the state's opportunity. That's the state's responsibility. We've got lots of energy needs going forward in Nebraska and private sector is probably most likely not going to engage in the early investigation of the potential, but I think if that potential exists, our utility companies would be right there and the ability to use a bond capability with the generated income off the hydro to retire that indebtedness are all terrifically achievable objectives in terms of the finances of the project. So that would be my hope, that if you read the Renaissance, Nebraska studies that they've done and the wish list of things that they've thought about for Nebraska, this project would affect all of Nebraska, it would affect six counties on the east end, not affect Douglas County at all, by the way, but be proximate to it. And I think that that first beneficial use of water given to us would be a powerful thing, particularly when you can turn green in terms of the economy and green in terms of dollars. Thank you. [LB808]

SENATOR HEIDEMANN: When you talk about green energy and you talk about permitting processes for coal-fired plants, which is very difficult anymore, what's your thought about the permitting process for something like this from the federal government when we look across the county there's a track record here lately of actually breaking the dams and letting the rivers go back natural? [LB808]

HAL DAUB: Oh, I think that those...you can't have it both ways on an issue like that. If you want clean energy and there are ways to achieve it, but you don't want to dam a structure, I don't look at this as a dam of an impoundment that impedes. This is not federal water. I haven't seen battleships or submarines being floated on the Platte and the Elkhorn. We don't have commercial navigation and fishing on those two particular

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streams. So we may have that question answered by the environmental impact statement but I don't think it's worth spending that kind of money on such a larger study, looking at the federal regulations and all the other things that go with it, until you find out whether or not it's feasible to pay for all of that. And there aren't very many ways to pay for something like that and low-head hydro is what I think is the right answer in this case, and if that doesn't work then I wouldn't know how you could go further with the project or any concept of it because there's...would be immensely costly. Private sector probably couldn't carry the burden by itself. [LB808]

SENATOR HEIDEMANN: Any other questions? Senator Hansen. [LB808]

SENATOR HANSEN: Thank you. The last time I saw you, I believe it was July 3 of last year and I was there to view the water going past Rick's Boathouse (sic) and you were there. [LB808]

HAL DAUB: Oh, right there, that's right. Yeah, I remember. Right. Right. It was quite a sight, wasn't it? Yeah. [LB808]

SENATOR HANSEN: And just an unbelievable amount of water going past that point right there. [LB808]

HAL DAUB: Right. [LB808]

SENATOR HANSEN: We had an unbelievable amount of water going past North Platte at the same time, but it wasn't near the magnitude of that river. [LB808]

HAL DAUB: Uh-huh. Uh-huh. [LB808]

SENATOR HANSEN: But hydropower is a great idea, was a great idea. It's been thought about for a long, long time. I did some research just on Lake McConaughy because we're talking about a similar size of dam... [LB808]

HAL DAUB: Think so. [LB808]

SENATOR HANSEN: ...where it displaced 37,000 acres of people's hay meadow, people's ranches. [LB808]

HAL DAUB: Several cities. Several cities, uh-huh. [LB808]

SENATOR HANSEN: They took a lot of those people...they replaced them north, south, east of the dam after it got built. But it's a great idea. I mean hydropower is great. They use the water, they put it back in the river, they use it again, they put it back in the river. It's used in North Platte, it's used in Lexington, just over and over and over, and it's a

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great idea. And then at the end they use it for irrigation and what they don't use there goes back in the river again or build a mound, one of the two. But the depth of Lake McConaughy is 142 feet at the dam and that's where they get their head. And then I read in an e-mail this morning that Senator Lautenbaugh sent out that the water at the end of the dam would only be 40 feet deep. [LB808]

HAL DAUB: Ninety, I think. [LB808]

SENATOR HANSEN: Ninety. [LB808]

HAL DAUB: Approximately 90 feet, yeah,... [LB808]

SENATOR HANSEN: Okay. Well, that's better. [LB808]

HAL DAUB: ...depending on levels. [LB808]

SENATOR HANSEN: I don't know what the elevation change is in the river once you get this far east, but in the west it's seven foot per mile and that's where they get... [LB808]

HAL DAUB: How many, may I, Senator, how many standpipes do they have at McConaughy? [LB808]

SENATOR HANSEN: I don't know. I don't know. [LB808]

HAL DAUB: Yeah. A lot of it depends on you can put a lot more standpipes in now than you did in the old days. [LB808]

SENATOR HANSEN: It's a small hydro there. [LB808]

HAL DAUB: Yeah. [LB808]

SENATOR HANSEN: That one was probably the newest one in the whole system so... [LB808]

HAL DAUB: Uh-huh. I appreciate your comments and I think those are the things...I'm not an engineer, I do not know the answers to these questions, but I think that it was premature last time to even think about going into other dynamics that could occur in that particular part of our state along I-80. I'm interested in groundwater recharge, particularly because the Platte runs dry sometimes, especially by the time the water gets here. And Lincoln and Omaha depend upon the Platte's flow and its underground flow for 30 to 40 percent of the recharge for clean, safe drinking water, so it's a very important piece of how we take care of things on our end of the state. And if you did it this way, you could leave a lot of that water demand on this end off the Platte to the

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central and western part of the state for their beneficial use then for irrigation, farming, and all the things that you just so well frame. So I think it has the potential and for a very small investment that this committee could make in innovation, we would know the answer to this question once and for all and then we can all get on with our lives one way or the other without the concerns that are legitimate that are expressed by people about the uncertainty on a subject like this. [LB808]

SENATOR HANSEN: Thank you. [LB808]

HAL DAUB: Thank you. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB808]

HAL DAUB: Thank you. [LB808]

SENATOR HEIDEMANN: Is anyone else wishing to testify in favor on LB808? Seeing none, is anybody wishing to testify in opposition to LB808? Welcome. [LB808]

DAN CROUCHLEY: Well, thank you, Chairman Heidemann, members of the committee. My name is Dan Crouchley. I'm senior vice president and counsel to the president of Metropolitan Utilities District in Omaha. MUD serves 200,000 water customers. It's a political subdivision that provides water to about 30 percent of the state. It's got three different facilities and the facility that might be affected by LB808 is the Platte West facility that first opened in 2006. This bill appears to be...at least it's worded in terms of an environmental study. It's difficult to do an environmental study without a design, but there does and I think people would recognize that this is associated with previous efforts and that this has to do with a lake at the I-80 crossing of the Platte. In that regard, it's necessary for MUD to point out where its facilities are relative to that. MUD has got a well field that straddles the Platte River west of Omaha. That well field provides or can provide 100 million gallons a day for Omaha. MUD also has a treatment plant at 217th and Q Street and the joining pipe, which is a 72-inch pipe that goes about 4 miles. So those are the three aspects. The lake, and regardless of what...whether we don't know what it is, which seems odd, but the lake that has been conceived in the past would place that well field under water. That would require MUD to deal with that in terms of replacement. The Platte West Project cost \$350 million. The well field cost \$40 million, and we expect that it would be about, in this time or at this time, it would be about \$60 million to replace it in some way. It would be difficult to replace it. Where it is now was, by engineering studies, determined to be its most appropriate location. There is no value to MUD to have a water resource like a lake at the location that is traditionally viewed here. We have all of our water recharged. It's...we have our permits to do so and a standing lake would not be of any further value to MUD. I think it's significant that there's no public power districts here in favor of this. In any event, MUD is opposed to this bill as...with its concern that it may affect MUD's

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Platte West well field. Any questions from anybody? [LB808]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. For the people that are going to transcribe later on, could you please state and spell your name? [LB808]

DAN CROUCHLEY: Oh, I'm sorry. Yes, Dan Crouchley, D-a-n C-r-o-u-c-h-l-e-y. [LB808]

SENATOR HEIDEMANN: Thank you. Are there any questions? Senator Nelson. [LB808]

SENATOR NELSON: Thank you, Senator. Just one question. I'm not that familiar with the term "recharged water." Could you just tell me what that means? [LB808]

DAN CROUCHLEY: Yes. Wells, which the well field that we're talking about is wells, it's located straddling the Platte River but does not take surface water of the Platte River. Platte River does provide recharge for wells and that's where recharge comes in. [LB808]

SENATOR NELSON: So you pull the water out from deep wells and then there's some recharging from the Platte River from certain... [LB808]

DAN CROUCHLEY: That's correct. [LB808]

SENATOR NELSON: Oh, I see. [LB808]

DAN CROUCHLEY: And we have a state permit for that recharge. [LB808]

SENATOR NELSON: And you don't feel that you couldn't go out as far as the Sandhills or anyplace like that economically to bring water in at a greater distance? [LB808]

DAN CROUCHLEY: We wouldn't go far. We'd stay close. [LB808]

SENATOR NELSON: Well, how...engineering wise, how far can you go economically to supply water to Omaha? And I don't know about Lincoln and they're kind of in the same boat. [LB808]

DAN CROUCHLEY: We would say right in the Omaha area. We wouldn't go farther than...we've got sources. We've got the Missouri River where we have a plant. We have the Platte River where we have a plant. We wouldn't go farther than that. This 72-inch pipe costs \$4 million a mile. And I was even estimating, let's say you had a dam down by I-80 and ran a 72-inch pipe at \$4 million a mile, that's 13 miles, is...what is that, something like... [LB808]

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HAL DAUB: Ninety-two (inaudible). [LB808]

DAN CROUCHLEY: Yeah, and it's a lot of money even if you decided to run a pipe down towards the deeper part of a lake. So you can't...you shouldn't go. It would not be economically appropriate to go too far. [LB808]

SENATOR NELSON: Thank you. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming in and testifying. [LB808]

DAN CROUCHLEY: Thanks. [LB808]

DUANE HOVORKA: Good afternoon. [LB808]

SENATOR HEIDEMANN: Welcome. [LB808]

DUANE HOVORKA: My name is Duane, D-u-a-n-e, Hovorka, H-o-v-o-r-k-a. I work for the Nebraska Wildlife Federation and I'm here on their behalf today. I just got probably a couple reasons why I think this is just...it's the wrong bill. First, let me say that we support renewable energy. We've been pushing our utilities not just years but for decades to use more wind, to use more solar, to do more to use Nebraska's native energy sources in their mix, and have been, you know, disappointed continually by the lack of progress we've seen there or by the very slow progress that we're seeing. We are also disappointed that the utilities aren't using more energy efficiency. We think there's some real opportunities there to substantially reduce the existing demand from our public power districts statewide by cost-effective investments in energy efficiency. We understand hydroelectric is a renewable resource and so we don't oppose hydroelectric energy, but we oppose this particular project or this proposal, the idea, because of the nature...in part, because of the nature of the Platte. It is a very special river. It's a unique resource that we have here in Nebraska. But also I think if you start penciling out the cost of a proposal like this and the communities that you would displace and the expensive land in eastern Nebraska, assuming that you did it in the Ashland area, I think you'd quickly find that it doesn't pencil out in terms of the return on energy. So for those reasons, I think if you...there are much more cost-effective ways, including wind which is now competitive with coal, including solar which is...the prices are dropping fast, getting in the range certainly of coal, and nuclear, there are other ways, and energy efficiency, which is showing it is now cheaper to invest and save energy than it is to generate it. And so there are lots more cost-effective ways to meet Nebraska's energy demand now and in the future, and so there are better ways to spend your \$2 million than on a study of this type. So I thank you for your time, be glad to try to answer any questions. [LB808]

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SENATOR HEIDEMANN: Any questions? Out of curiosity, you have solar, you have wind, which doesn't add to the base load where hydro does, and you said you could support that but not here. Where could you support that in Nebraska? [LB808]

DUANE HOVORKA: Well, there...certainly there's existing hydro dams that are already in place and those...we've...they have been upgraded in the past with newer, more efficient turbines and things like that. There are some proposals that are being studied for basically in-channel type of gizmos, you can tell I'm not an engineer, but basically something where you don't have to build a dam like on the Missouri River, where you've got enough depth and you've got enough flow that you can put a turbine down in the river so it's a run-of-the-river hydro. So there are some more efficient, innovative things that are going on to do that to allow for hydro, but there's also...I mean if you look at wind energy, there are now ways, developing ways to store wind energy. The new rotors are much more efficient so they can capture wind, generate energy at much lower wind speeds. And so I think sort of the old notions that, you know, wind is completely unreliable, I think those are going away and for solar energy we know when our electric use is the highest, which is on the hottest day, the brightest sun in the middle of July and August. That's when you get the most solar energy. So in terms of providing peak energy that can really meet our demands, solar is a really great option. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB808]

DUANE HOVORKA: Thanks. [LB808]

PAUL LIENKE: Good afternoon. [LB808]

SENATOR HEIDEMANN: Welcome. [LB808]

PAUL LIENKE: Senator Heidemann, committee, my name is Paul Lienke, P-a-u-l L-i-e-n-k-e. I am the mayor of the city of Ashland and I reside at 501 North 12th Street in Ashland. I have been mayor since 2007. Before that, I served two consecutive terms on the city council. I'm in front of you today to speak in strong opposition to LB808 and the proposed lake in general. This is the second time since I've moved to Nebraska in 1993 that this issue has come up and I believe it has been discussed many times before my arrival, perhaps as early as the 1930s. The general idea of building a dam to flood the Ashland area to create a lake makes less sense each time it comes up because it becomes so expensive that the ability to recoup cost defies my imagination. The cost comes in two forms: the actual physical cost of engineering and construction, which by itself would probably take our breath away; even more important is the impact it would have on the community of Ashland. It would never be the same again. Family farms, many of which have been in family history for generations, would be gone and off the tax base. Several small developments that have sprung up in the local area, these

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would be gone and, again, they would be off the tax base. Lifelong residents would be forced from their homes, forced to go someplace unknown at this point. Probably seniors, at the most critical time in their life, would be displaced. The Omaha and Lincoln well fields would be submerged, the growing business community as it exists today would be gone. As far as the economical impact of the study, as it currently stands, as a community and as state we seem to be weathering a financial storm. Some say that we're on the road to recovery but I'm not so sure. I fear that even the pursuit of this study could push our local economy in the wrong direction. Personally, I would like to invite you to Ashland to meet the people, visit out galleries, put names on faces to what would be destroyed, all in the name of recreation. Let's not kid ourselves, ladies and gentlemen, this is not a hydroelectric project or flood control project. If it was a hydroelectric project I think the power companies would be here with their proposal today. Our home would be under approximately 30 foot of water. We didn't buy a house. We bought a home. We remodeled it. We plan on retiring in this area. We have never been given anything but we would be compensated at fair market value, which is what? How do you compensate something like that? I strongly urge the committee to reject this request to spend \$2 million in taxpayer dollars to study the proposed destruction of our Ashland community today. Let's kill it today. Let's stop it today. Let's put this thing to bed. You have the authority to do that. Let's put this to bed. That would remove the cloud of uncertainty that continues to linger over our fine community. Thank you. Any questions? [LB808]

SENATOR HEIDEMANN: Thank you for testifying today. Does anybody have any questions? Senator Hansen. [LB808]

SENATOR HANSEN: Thank you for coming here, Mayor. Where does Ashland get their electricity from? [LB808]

PAUL LIENKE: OPPD. [LB808]

SENATOR HANSEN: Okay. Are you satisfied with coal and nuclear power for electricity in the city of Ashland and the neighbors on your farmsteads and all that? [LB808]

PAUL LIENKE: Yes, Senator. Even during this last summer when Fort Calhoun was down, there was no problem with supplying electricity to our...the entire community. Never once was there a blackout. If that was an issue, I think it would have shown up this year. [LB808]

SENATOR HANSEN: Are you, per se, against hydropower out in the west where we have more open space and... [LB808]

PAUL LIENKE: No, because you're absolutely right, this is green energy. It is renewable energy. But that comes at this cost, this unforeseen cost of land and people that get

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displaced. Like I mentioned, my house would be gone. That's a very, very sad situation for us but that just transponds into anyone else where this would go on. [LB808]

SENATOR HANSEN: Okay. Thank you. [LB808]

PAUL LIENKE: You bet. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB808]

PAUL LIENKE: Thank you. [LB808]

SENATOR HEIDEMANN: Welcome. [LB808]

JERRY JOHNSON: Good afternoon, Senator. My name is Jerry Johnson, J-e-r-r-y J-o-h-n-s-o-n. I am mayor of the city of Wahoo, a sister community within Saunders County, and today, on behalf of the city council and myself, as mayor, we are alongside with the city of Ashland in opposition to LB808, appropriating of any funds for this study for if it is truly a hydroelectric project. For one thing, it's not the right time to appropriate funds for this vague a study, and then looking at the potential cost to the community of Ashland and its infrastructure, as the well fields have already been discussed serving various communities, plus the economic effect that it will have on that community, on the county, and the citizens of the city of Ashland. We just echo their thoughts and would oppose this bill. That's my comments. Any questions? [LB808]

SENATOR HEIDEMANN: Any...Senator Hansen. [LB808]

SENATOR HANSEN: Thank you. Welcome here today, too, Mayor. You just built a lake north of Wahoo. [LB808]

JERRY JOHNSON: Correct. [LB808]

SENATOR HANSEN: Was that for any particular purpose? [LB808]

JERRY JOHNSON: The intent of the lake when it was originally started was for flood control. It appears now, through some reevaluation of the funding of it, it has become more of a recreation lake and that has not been as positive in our community as it was for the original control. It did not have anything to do with power. [LB808]

SENATOR HANSEN: That's because a recreation lake needs to be full. Is that correct? [LB808]

JERRY JOHNSON: Well, that is the issue and the issue of the environmentalists, and I am an environmentalist, but that lake needs to be at a level where it will continue to

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provide flood control plus have habitat for the environment. [LB808]

SENATOR HANSEN: Right. I've been by it but I...I'll go back up there and check it again. Thank you. [LB808]

JERRY JOHNSON: Thank you. [LB808]

SENATOR HEIDEMANN: Any other questions? [LB808]

SENATOR HANSEN: What's the name of the lake? [LB808]

JERRY JOHNSON: Lake Wanahoo. [LB808]

SENATOR HANSEN: Wanahoo, that's what I had in mind. Thank you. [LB808]

JERRY JOHNSON: Yes. [LB808]

SENATOR HEIDEMANN: Seeing no other questions, thank you for coming in today. [LB808]

JERRY JOHNSON: Thank you. [LB808]

SENATOR HEIDEMANN: Welcome. [LB808]

ZACH KASSEBAUM: Welcome. Thank you, Senators. My name is Zach Kassebaum, K-a-s-s-e-b-a-u-m, and I'm the superintendent at Ashland-Greenwood Public Schools and I'm here today to speak, obviously, in opposition to LB808. First of all, I'd just like to thank you for the opportunity to do this and just thank you for your service. I can't imagine the complexity of your lives at this time of the year. But as you can imagine, the past couple of years have been difficult for our community as once again we've had the unnecessary strain and worry placed upon our community, our families, and our children. And again I think you can understand it's discouraging for the community to address this concern and, again, one repeatedly placed on the community of Ashland and surrounding areas. It's my understanding, being new to the community and a new superintendent in the district, that this process has been debated and repeatedly rejected. It's also my understanding that there was a comprehensive study completed in the 1960s that stretched almost eight years and found that it wasn't feasible and that there were problems with the silt and a problem with the algae. The concerns presented at that time don't even begin to take into consideration the collateral damage a project like this brings about. I believe it's an opportunity for a message to be sent that these types of proposals that are viewed as private agendas for special interest groups will not be considered. I think it's important that a bill is killed, as was brought up before, and again just sends a strong message that we do care about families and communities. To

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a big-dollar enterprise, Ashland is just a small community of farmers and small business owners, but to the people it's a longstanding community with rich tradition, culture, and heritage. The city of Ashland has been established for the last 150 years. The school district was established in 1866 and Ashland-Greenwood Public Schools has a tradition of success and excellence. Our school district has produced doctors, college professors, a member of the state Legislature, and Nebraska's only astronaut. Our test scores and graduation rates are near the top in the state. We exceed the state average in nearly every area. This proposed plan would forever change and likely take away all that has been established in creating an educational institution that is doing exactly what we want our education to do and that is to produce successful, effective students that go out and be productive and viable citizens in society and, in specific, Nebraska. And again I reiterate there's no way to gauge the overall detrimental impact to the community, the school system, and to the individuals that a project like this would cause. In my simple estimation, the negative impact would be irrevocable. Furthermore, I would argue that each time this agenda is even presented, it hurts the economic development of Ashland and surrounding areas and discourages increased industry. And again, as some of you even spoke today, we are at a time where nearly all organizations are seeing financial cuts, as was indicated by Governor Heineman this morning and Senator Heidemann while speaking to administrators at the School Boards Association. So again, I find it very hard to justify that at this time \$2 million to do an environmental study, or whatever that dollar figure ends up being, is the best interest of us, with likely it will be not feasible once again. So I'm here to respectfully ask you to encourage others to seek more practical and less divisive ways to grow the economy and, lastly, I'm here to ask you to end the worry, the strain that has been placed on our children once again, our families, our communities, our school district, and it is our sincere hope that again that we can end this before it begins. As our mayor indicated is the fact that the authority does lie within you to kill this bill, as the last time it was presented, I believe in 2006, that is what the committee did. The same day that it was heard, this bill was killed, and we would just respectfully ask you to act in that same manner. Thank you for your time. [LB808]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? Senator Harms. [LB808]

SENATOR HARMS: Zach, first of all, thank you very much for coming and testifying. I apologize that I probably missed a lot of the conversation that took place earlier about this project, but could you tell me how many homes would actually be lost? How many people would this have an impact on in the Ashland community or however this is going to be...? [LB808]

ZACH KASSEBAUM: Yeah, absolutely. You know as has kind of come out today, no one really seems to have the information on any of these questions. [LB808]

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SENATOR HARMS: Yeah. [LB808]

ZACH KASSEBAUM: Even the people proposing it didn't have answers for fine details. But in this case, Ashland serves nearly 1,000 students, about 900 students. Our community is about 2,500. Don't hold me to this exactly. [LB808]

SENATOR HARMS: That's all right. [LB808]

ZACH KASSEBAUM: Again, I'm new to the community. But the fact is, you know, we're serving a lot of students and again would highlight the fact that we are an educational institution that are doing things the right way and producing high-character individuals that are going out and impacting society. And it goes without saying, anybody that would look at this logically, is the fact that you will never restore that institution if you pick it up and replace it. Students would leave, staff would leave, the time lines aren't set. There would be a lot of, again, just raised concern in the community. So you're going to displace a lot of current people there but also, as I indicated too, a lot of culture and heritage. [LB808]

SENATOR HARMS: Thank you. [LB808]

ZACH KASSEBAUM: Thank you. [LB808]

SENATOR HEIDEMANN: Senator Nelson. [LB808]

SENATOR NELSON: Thank you, Senator Heidemann. You say you've been...and thank you for your testimony. [LB808]

ZACH KASSEBAUM: Yes, sir. [LB808]

SENATOR NELSON: Appreciate that. You're new to the community. How long have you been with the Ashland schools? [LB808]

ZACH KASSEBAUM: I was hired July 1. [LB808]

SENATOR NELSON: Very recently. [LB808]

ZACH KASSEBAUM: Yeah. [LB808]

SENATOR NELSON: Okay. You made reference to when this came up again recently. Has that been the last year, two years, to your knowledge? My question goes to this. Has the fact it's been raised recently, has that seemed to have any effect on migration into the district and building of homes, to your knowledge, or anything at this point? [LB808]

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ZACH KASSEBAUM: You know, I honestly wouldn't have the knowledge to answer that question. [LB808]

SENATOR NELSON: You wouldn't. [LB808]

ZACH KASSEBAUM: You know, I know that I was aware of the fact as I moved in. It didn't stop me from moving my family into the community. [LB808]

SENATOR NELSON: It did not bother you. [LB808]

ZACH KASSEBAUM: It did not stop me from moving into the community, you're right, because I, you know, I was aware of it but also functioning on the fact that I have faith in this system and the faith in a system that won't act on something that would displace that large of a community. [LB808]

SENATOR NELSON: Yeah. If hydroelectricity is the linchpin here, would it be worth spending \$300,000, \$400,000 to establish that it's just not going to work there and set the matter to rest for the rest of time here? [LB808]

ZACH KASSEBAUM: Yeah, I appreciate the question, Senator Nelson. I don't believe that is the driving force. [LB808]

SENATOR NELSON: Okay. [LB808]

ZACH KASSEBAUM: But if it is, was your question, then I think first of all we would want to do some information in looking at the hydro dams that are already in place, which was questions that you asked before, and seeing what are really the cost savings in those places, and then, second, a larger idea of what is the plan if there are savings and how many years are we really talking before we see savings recouped of a project that is going to displace a community and has been estimated over billions of dollars. So I think that the cost savings really don't justify even the study. And the other question that I would want answered, with all respect, is the fact of all the studies that have been done before that have not been brought up and the fact that again in 1960s I believe there was a comprehensive study done. Have we looked at those, evaluated those and seen if we're just not perpetuating a cycle for private interests? [LB808]

SENATOR NELSON: Thank you. [LB808]

ZACH KASSEBAUM: Thank you. [LB808]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB808]

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ZACH KASSEBAUM: Thank you. [LB808]

SENATOR HEIDEMANN: Welcome. [LB808]

ROD REISEN: Senator Heidemann, members of the Appropriations Committee, my name is Rod Reisen, that's R-o-d R-e-i-s-e-n. I'm a resident of Ashland and work for Centennial Bank in Ashland. First off, I have a little difficulty believing that this is all completely about hydroelectric energy, especially since Senator Lautenbaugh's Web site lists all sorts of other competing interests and a picture of the lake very much like the one that we saw six years ago when this proposal was before your committee or a very similar one was. I spent a little time reviewing the testimony from the hearing in February of 2006. That day the proponents argued that a large lake would be a huge economic boost to our state; that it would certainly provide much needed recreational opportunities for eastern Nebraska, along with opportunities for related development all around the perimeter of the lake; that it would probably help attract desirable businesses to locations on our I-80 corridor, obviously creating jobs; and that it could possibly be used to generate significant amounts of hydroelectric energy. The opponents pointed out that it would displace many established homes, businesses, and public facilities; that it would absolutely destroy the Ashland-Greenwood School District, my alma mater by the way; that it would take thousands of acres of excellent agricultural land out of production at a time when the world demand for food is rapidly increasing; and that there would be environmental obstacles related to endangered species that are found in the area to be affected. And perhaps most importantly, it would probably render useless one of the best underground aquifers in the entire world. That aquifer makes Lincoln and Omaha the envy of public works officials in large cities everywhere and something I think we need to vigorously protect. I believe that both sides were right that day, but I don't believe that we need a study to show that this lake will never be built. There are just too many interests competing for the land. The cost of displacing all of them would be too great and those are things that will happen even before you start to talk about the costs of actually building a dam. For that reason, I'm not asking you to protect my hometown from being flooded by a lake. I'm asking you to protect us from the proposed study. Ashland is a thriving, growing community today. Growth has come by virtue of being between Omaha and Lincoln, but it has definitely not been the type of growth that many people were predicting in the 1950s and '60s. Some of the folks that were in business at that time will tell you that the study that was done in the 1960s, which lasted for eight years, cast a cloud over the business community, stagnated our local economy, and has had a very real effect on the business climate in Ashland that we're still feeling today. Myself, having been a member of Ashland's economic development group for several years, I can tell you that businesses looking to relocate or expand in a community will look into all the factors involved. The stakes are too high not to. If the state of Nebraska appropriates millions of dollars to fund this study, it only lends credence to the idea that Ashland is once again at risk of being flooded and not the place to expand or relocate your business. A prominent Ashland citizen, Dave

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Lutton, testified before this committee six years ago that he knew of several situations where businesses were delaying their plans at that time to invest while waiting to see whether the Legislature went forward with the study at that time. I know that at least the largest of those projects never happened. Maybe it wouldn't have because of other factors, but maybe the hesitation held things up just long enough to let those other factors creep into the equation. I'm currently a member of a committee that's trying to raise funds to build a new library and senior center in downtown Ashland. It's about a \$5 million project that will provide educational and social opportunities for our residents for generations to come. We're fortunate to have some very generous lead donors that have committed over half of that amount already, but we are looking hard to find the rest of the money to build it. I'm new to the fund-raising business but I have noticed that people that donate large sums of money want to know that their contribution is going to provide benefits for more than the foreseeable future. They want to be a part of a lasting legacy. I'm scared to death that the specter of a study that could possibly result in this facility being taken from our community someday might cause some potential donors to hesitate or, worse yet, cause some of those already committed to rethink their positions. For that reason alone, I think it is imperative to Ashland that your committee kill LB808 today. One other idea: If you really want to put the money to good use, I would suggest that someone offer an amendment to donate the \$2 million to the Ashland Community Resource Center. (Laughter) I promise you it will be much better spent. Thank you. [LB808]

SENATOR HEIDEMANN: Thank you for your testimony and your comment there. Is there any questions? Seeing none, thank you. [LB808]

ROD REISEN: Thanks. [LB808]

SENATOR HEIDEMANN: Is anyone else wishing to testify in opposition on LB808? (See also Exhibits 1-4) Seeing none, is anybody wanting to testify in the neutral position on LB808? Seeing none, we are going to close the public hearing on LB808 and open up, because I did not see Senator Lautenbaugh here to close, so we will close the public hearing and we open up the public hearing on LB859. Senator Avery. [LB808]

SENATOR AVERY: Thank you, Senator Heidemann. My name is Bill Avery, B-i-l-l A-v-e-r-y. I represent District 28 here in Lincoln. I am bringing LB859, which is not a new subject for this committee, is not a new subject for me. It is a bill that addresses the restoration and rehabilitation of Nebraska's Centennial Mall. This has been a high priority of mine since I came to the Legislature. Centennial Mall is in my district and it is, as you know, part of the State Capitol Environs District. It is a seven-block-long, south-to-north promenade and street from the Capitol to the university. In 2008 I introduced my first bill on this subject, seeking to create a task force to study the disrepair of the mall. That summer a task force was created that began a study to see what might be some appropriate designs. Landscape architects were brought together

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for that. In 2009 I introduced an interim study proposal to continue to review and recommend possible design and renovation options, as well as trying to identify at the same time funding strategies for the mall. That task force continued to study the financial feasibility and we were looking at a partnership among the state of Nebraska, the University of Nebraska, the city of Lincoln, and private citizens. In 2010 I introduced a bill, as a result of that interim study. That bill would have amended the State Capitol Environs District Act to empower the state of Nebraska to participate in beautification projects in the Environs District. This past year, you remember I appeared before this committee with LB496, asking for a \$2 million appropriation spread over four years. That request was not granted. This year I am once again asking for your help in the revitalization of the mall. The present request in LB859 is a bit smaller than the one last year but it is, nonetheless, needed to complete this much needed project. LB839 (sic) creates the Centennial Mall Project Fund and requests the Legislature to transfer \$1.2 million from the General Fund into the mall fund in a one-time appropriation. And by the way, this would be just in time for the Centennial Mall's 50th anniversary celebration, which will occur in 2017. This \$1.2 million appropriation request represents the state of Nebraska's financial commitment to the rehabilitation and restoration of just the two southernmost blocks of the restoration proposal, the two immediately in front of the Capitol and most contiguous to the Capitol Environs and a part of the architect, Goodhue's, original plan for this building. The city of Lincoln has renewed its commitment to renovation of the central three blocks of Centennial Mall by leveraging \$3 million in local tax increment financing with private investment dollars. The University of Nebraska Foundation has also recognized its stake in the mall with a financial commitment to raise \$2 million for the renovation of the two northernmost blocks near the university. Today you will be hearing from the mayor of Lincoln, from the Capitol Environs commissioners, from the Lincoln Parks and Recreation Department, from the Chamber of Commerce, and dedicated citizens who have together mounted a very aggressive fund-raising campaign for this project. They have secured and have some significant commitments for contributions. They have other pledges for this project from the community and private partners, and they will be announcing on March 1 the identity of the donors and the amounts they have pledged. You know this but I want to stress again that for the past 40 years the mall has served as a symbolic front door to this building, this historic building. It has also been a backdrop for many political announcements, historic observances, university demonstrations, community cultural celebrations, the Ribfest, farmers' markets, book fairs, food and music festivals, and many other activities. The mall was once a very family friendly place. It was a place where people could gather and have an enjoyable afternoon. It welcomed thousands of visitors from around the state. However, today it has fallen into disrepair. It is an eyesore. It is a dangerous place to take a stroll. Broken fountains, gaping holes in the ground where once beautiful art was placed, it is now usually you can find electrical outlets that protrude from old tree stumps, broken planters. If you are handicapped, it's almost impossible to get around in the mall because you have to navigate around obstructions, overgrown shrubs, tree branches, cracked sidewalks, and broken steps

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and things of that sort. So the mall is not only unattractive; we believe it is now dangerous and it is becoming a liability for the city and perhaps the state. It's no longer ADA compliant. I think we're at the point where we should restrict pedestrian access to this mall, since everything has deteriorated, nothing can be salvaged, and we are perhaps waiting for a lawsuit. I have said before this committee before and I want to stress again that I believe this is a shared commitment with the city of Lincoln, with the private sector, the university, and the state. The mall belongs to all of us, each and every citizen of Nebraska. It is not just for the city of Lincoln. It is not just a Lincoln attraction. Around 35,000 4th graders visit the Capitol and Centennial Mall every year. It should be something we can take pride in and it should be something of beauty. The mall is representative of who we are, what we stand for as Nebraskans, and I think it is time for all of us to join together with the various stakeholders and help bring the project to completion. I would ask that you seriously consider advancing LB8...I said 39, is it 59? [LB859]

SENATOR HEIDEMANN: It's 59. [LB859]

SENATOR AVERY: Fifty-nine. I correct myself. I ask you to advance LB859 and I call your attention to the people who will follow me who will have more to say about the design and perhaps some handouts for you. Thank you. [LB859]

SENATOR HEIDEMANN: Are there any questions for Senator Avery? Seeing none, thank you. Will you be closing? [LB859]

SENATOR AVERY: I think I will stay around. [LB859]

SENATOR HEIDEMANN: Okay. Welcome. [LB859]

CHRIS BEUTLER: (Exhibit 5) Mr. Chairman, members of the committee, Bill, my name is Chris Beutler, it's spelled B-e-u-t-l-e-r. I'm mayor of the city of Lincoln and I very much thank you all for allowing me to have the opportunity this morning to present some testimony to you. As Senator Avery noted, we are asking the committee to appropriate \$1.2 million to the Nebraska Centennial Mall Project. I also wanted to take a moment to thank Senator Avery for his long and continued and dedicated efforts on this particular bill. It is a matter that has gone on much too long. I remember even four or five years before I left the Legislature you all appropriated \$1 million for this effort, which unfortunately was vetoed by the Governor that particular year. But it tells you how far back we've been going in order to try to develop the right balance and the right kind of partnership to get this done. Much has changed since Senator Avery approached this committee last year. We now have beautiful design plans for the mall that are finished. It was our original intention to have Lynn Johnson, the head of our Parks Department, present that to you today; however, he took sick a couple of hours ago and now you have, however, an equally qualified person to present it to you. Dennis Scheer with the

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Clark Enersen architectural firm will take you through the design of the project itself. We've also made significant progress on the fund-raising side, which you'll hear more about from Patty Pansing Brooks, who's one of our super, super volunteer campaigners. And perhaps more importantly, we think we have now a lot of momentum. Although we have not yet launched our public fund-raising efforts, Patty and her team of volunteers have finally secured...have firmly secured, I should say, over \$5.3 million of the \$9.6 million that we need to complete the project. You may note that the \$9.6 is for construction and renovation of the mall but also this time around I'm taking the precaution of being sure we have \$1.5 million in an endowment fund so it will not, again, fall into the kind of disrepair that it fell into this time. And at this point, having secured \$5.3 million firmly and with another couple of million dollars that we think we almost have in hand, we're coming to the point where we would like to ask the state, who actually has about 30 percent of the facilities along the mall, if they would not consider at this time contributing about 12.5 percent of the total cost of the mall and the endowment to keep it. So we have no doubt that the state shares our concerns with regard to the safety and security of those who use the mall, particularly our touring school children who come from all over the state. By the way, you'll see that we're building in several statewide educational projects into the physical infrastructure of the mall to make another place for these children to gain a broader understanding of what happens in our state. Obviously also, the State Capitol and the people who use the State Office Building constitute two more blocks of people who are constantly along and walking that mall. So with all of that in mind, again, we're asking your help with the southern two blocks of the mall, the K to L Street portion. The \$1.2 million ask is based on the cost associated with developing safe, accessible, and ADA-compliant walkways with pedestrian lighting to go along with it, and it's all for those two blocks that are, in essence, the entryway to the State Capitol. With the state as a partner, I pledge to you absolutely that we will come up with all of the \$9.6 million within the next year to take care of this matter once and for all so that we can all go forward with a beautiful mall connecting our State Capitol and our university. We recognize and take on and accept the fact that it's primarily Lincoln's responsibility and, for that reason, we're doing seven-eighths of it ourselves as between local political entities and local fund-raisers, and we're asking for then a little help from the state. Acknowledging, as the state is part of the Capitol Environs Commission itself, it should also be a part of improving the Capitol Environs. Thank you, Mr. Chairman. [LB859]

SENATOR HEIDEMANN: Are there any questions? Senator Hansen. [LB859]

SENATOR HANSEN: Okay, thank you for being here, Mr. Mayor. [LB859]

CHRIS BEUTLER: Senator. [LB859]

SENATOR HANSEN: The first two blocks north of the Capitol, there's the State Office Building, then the Scottish Rite Temple is identified. What are the other buildings

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on...would be further south on the first block? There's no...I'm referring to this plan.
[LB859]

CHRIS BEUTLER: On the two blocks that are closest to the Capitol... [LB859]

SENATOR HANSEN: Yes. Yes. [LB859]

CHRIS BEUTLER: ...yeah, on the west side would be St. Mary's Catholic School and Church, and then immediately to the north of that would be a garage, a state garage facility, and immediately north of that would be the State Office Building. Then on the east side would be the new state building that you acquired from the insurance company at the very south. Next to that is its own parking lot, and then the Scottish Rite Temple is on the north there, and then beyond that is another state parking lot...parking garage. [LB859]

SENATOR HANSEN: A lot of parking down in that area. [LB859]

CHRIS BEUTLER: Yeah, if I could build the mall all over again I wouldn't build parking garages along it, but that's... [LB859]

SENATOR HANSEN: In the request for the \$1.2 million from the state, I have one question about...would your visitors and tourism bureau, I don't know what you call it here in Lincoln, how many visitors do you expect a year? I mean I'll go back to the state girls volleyball...or not volleyball anymore but basketball and boys state basketball and MIT Tournament. I mean there's a lot of visitors. Do you have an estimate on how many visitors you get to our state capital... [LB859]

CHRIS BEUTLER: To the State Capitol Building itself? [LB859]

SENATOR HANSEN: No, to the state capital city, I guess. [LB859]

CHRIS BEUTLER: To the capital city. Senator, I do not have those figures but I will go to the Visitors Bureau and see if they can send over to you some kind of reasonable estimate. You heard earlier that they counted 35,000 school children a year that come to the State Capitol Building and you and I both know there are not many days you can walk out the south side of the Capitol and there isn't some stray family from Timbuktu pulling up to look at that wonderful creation we've made and maintained here. [LB859]

SENATOR HANSEN: They show up about the same time the robins do and I look forward to either one of them. (Laughter) Do you know how much sales tax... [LB859]

CHRIS BEUTLER: They pay better than the robins though. [LB859]

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SENATOR HANSEN: Do you know how much sales tax the city has collected past 12 months or annually if you budget for sales tax? [LB859]

CHRIS BEUTLER: How much...the percentage of our budget that is sales tax? [LB859]

SENATOR HANSEN: Or a dollar figure would be better yet. [LB859]

CHRIS BEUTLER: I would...somewhere between \$45 million and \$50 million. [LB859]

SENATOR HANSEN: Okay. I guess the reason I ask was that, you know, you have a lot of visitors here and they all eat, they all shop, you know, they have great shopping here. [LB859]

CHRIS BEUTLER: Uh-huh. [LB859]

SENATOR HANSEN: My wife comes down here fairly regularly, not very often but fairly regularly, to shop and we go out to eat whenever she's here and we go out to eat while we're in session and the lobbyists go out to eat and a lot of tax revenue is brought in by just Lincoln being Lincoln. And I just was curious about how much money was brought in by sales tax. Those monies all came from people of the state, across the state, that are coming to Lincoln all the time and I just have something in the back of my mind where more sales tax money should go into this project instead of state funds. I mean there are the sales and income tax from the people across the state, too, so it's kind of the same pot, so to speak, but... [LB859]

CHRIS BEUTLER: Yes. And I certainly don't disagree with you, Senator. The large bulk of the funding is coming from Lincoln city tax revenues and from citizens of the city of Lincoln. Again, we have made an unprecedented effort to raise 88 percent of the money and we're not asking for any more than that \$1.2 million of the \$9.6 million. [LB859]

SENATOR HANSEN: Thank you. [LB859]

CHRIS BEUTLER: We're also, by the way, making tremendous efforts to be...to advance in a very real way in an economic development sense and to be a community that's kicking in even more money into the state coffers through the state sales tax and the state taxes. We want to be a more balanced city and a more...and a city that's generating more revenue to help out the rest of the state. We're working in that direction too. [LB859]

SENATOR HANSEN: Thank you. [LB859]

SENATOR HEIDEMANN: Just dovetailing a little bit off of what Senator Hansen said, would it appear to be more of a commitment then if Lincoln would just put general fund

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dollars, \$3 million of general fund dollars, toward that project to show then maybe a little bit more of that commitment? [LB859]

CHRIS BEUTLER: To put general fund money? Well, we are putting... [LB859]

SENATOR HEIDEMANN: Sales tax, like he was saying, sales tax money that you get from people that come visit the city. [LB859]

CHRIS BEUTLER: We are putting city resources into it. I mean it's all...it all comes out of one pot or another. And we've committed \$3 million out of our basic general fund revenues of the city and probably will end up spending \$2 million or \$3 million more before this is all said and done. So we're not here arguing that we shouldn't be doing our part, but we're doing a lot. We're doing 88 percent of it. [LB859]

SENATOR HEIDEMANN: Senator Nelson. [LB859]

SENATOR NELSON: Thank you, Senator Heidemann. Thank you, Mayor Beutler. I think I heard you say that once the project is completed, ongoing maintenance then would be Lincoln's responsibility, that nobody would share in ongoing maintenance of the mall. Did I understand that? [LB859]

CHRIS BEUTLER: That's absolutely correct. [LB859]

SENATOR NELSON: Okay. [LB859]

CHRIS BEUTLER: Yeah. [LB859]

SENATOR NELSON: All right. And it's probably in the material here but there's \$1.5 million for an endowment. Now what's the endowment going to be used for? [LB859]

CHRIS BEUTLER: The endowment will be used for renovation, for repair, for maintenance. The city is putting in the entire endowment. [LB859]

SENATOR NELSON: Well, then who holds the \$1.5 million? Is that the...is there a commission or something like that? [LB859]

CHRIS BEUTLER: Yes, there is. [LB859]

SENATOR NELSON: Or does that go to the city? [LB859]

CHRIS BEUTLER: There's a city of Lincoln Parks Foundation... [LB859]

SENATOR NELSON: Okay. [LB859]

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CHRIS BEUTLER: ...and they would, in all probability, hold the money, although we haven't technically, to be honest with you, got to the point of who would hold the money. It would not be the city but it would probably be one of our community foundations. [LB859]

SENATOR NELSON: Okay. Thank you. [LB859]

CHRIS BEUTLER: Uh-huh. [LB859]

SENATOR HEIDEMANN: Senator Fulton. [LB859]

SENATOR FULTON: Thank you, Mr. Chairman. Thanks for being here, Mr. Mayor. I think you might have touched on this before, but if not then I'd like to at least have it in the record, the percentage of land on Centennial Mall that's occupied by the state of Nebraska. [LB859]

CHRIS BEUTLER: Yeah, the state occupies roughly 30 percent of the front footage of the entire mall. [LB859]

SENATOR FULTON: Uh-huh. Okay. Good enough. [LB859]

CHRIS BEUTLER: Obviously, the State Office Building feeds out onto the mall and they're heavy users of it, as are many of the garage users and all the way up and down the mall, the museum. [LB859]

SENATOR FULTON: Okay. Thank you. [LB859]

CHRIS BEUTLER: Uh-huh. [LB859]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for coming in and testifying. [LB859]

CHRIS BEUTLER: Thank you, Senator. [LB859]

SENATOR HEIDEMANN: Welcome. [LB859]

ALLEN BEERMANN: Thank you very much, Mr. Chairman. Members of the committee, my name is Allen Beermann, A-l-l-e-n B-e-e-r-m-a-n-n. I'm a citizen of Lincoln. I'm here to testify in favor of this bill and the appropriation. I had the good fortune of being around this building for about a third of a century and had the opportunity to interact with thousands, I guess, of visitors, tourists, and thousands of school buses full of children that came, and we usually had a departure moment with them when they left the Capitol

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and boarded their buses to the north, and I recall on almost every instance the disappointment that these people had in the mall in the fact that it was our front door entrance to the Capitol, it was in disrepair, it was...actually it was shameful. And that stuck with me all these years that we need to do something about that to make it a place for learning, a place for people to enjoy, a place that is...that adds value to this building which has, since 1939, been one of the ten architectural wonders of the world, and certainly our front entrance in the mall does not lend very much value to that. I also am excited about the fact that we'll soon be celebrating the state's sesquicentennial and the completion of this mall project, that was anticipated since the design of this building, we hope we can complete by 2017 so that when we once again showcase this city, this Capitol Building, we can now showcase a mall in which all Nebraskans and our visitors can take pride. That's all I have to add on this. I just happen to have had a different perspective in talking with all of these people over these years to see and witness and to hear about the disappointment they had in the mall that now exists. [LB859]

SENATOR HEIDEMANN: Thank you for coming and testifying. Senator Hansen. [LB859]

SENATOR HANSEN: Thank you, Senator Heidemann. Good to have you here today. I don't have a question for you; just have a...just a statement. I'm really very glad that you came here because we don't get the opportunity to see the "state fossil" very often. Thank you. (Laughter) [LB859]

ALLEN BEERMANN: Of what he speaks is true. I was part of the Centennial Commission, I served on the quasiquicentennial, and I darn well plan to be around for the sesquicentennial. That does qualify me. Thank you. [LB859]

SENATOR HEIDEMANN: Thank you. Any other questions? Seeing none, thank you. [LB859]

ALLEN BEERMANN: Thanks for your courtesy. [LB859]

SENATOR HEIDEMANN: Welcome. [LB859]

DENNIS SCHEER: (Exhibit 6) Thank you. We're passing some handouts out. Senator Heidemann and members of the Appropriations Committee, my name is Dennis Scheer, S-c-h-e-e-r, and I'm the lead designer for the design team working with the city of Lincoln on the design of Centennial Mall. Thank you for the opportunity for me to testify on LB859 regarding funding for the Nebraska Centennial Mall renovation project. What I...what we're passing around is a synopsis of the plans, and there are some images that we'll get to here in a minute, but I would like to share a brief overview of the design for the mall and share a little information about the project costs and also timing for construction. If you look at the first sheet here, before we get into this a little bit, I want

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you to know that the three primary goals for the design of the mall deal with safety, as previous testifiers have mentioned, functional design, which also includes accessibility routes, ADA accessibility routes, and then an informational design that includes education and, of course, aesthetics. Centennial Mall extends seven blocks from the State Capitol Building to the State Historical Society and the UNL Campus along what in Lincoln is 15th Street. The mall was envisioned by Bertram Goodhue, the architect of this great building, and when Goodhue designed this building he recognized the need for a building of this proportion and landmark status that there should be malls that extend in every direction into Lincoln. So that is why we are where we are with all of the malls. Centennial Mall is the, as you know, the primary link to the north of the Capitol Building. Safety and security of people traveling Centennial Mall is the key objective of the project, as I mentioned. The southern two blocks provide walkways connecting five buildings. If you'd go to the next...the second page of the handout, the southern two blocks provide walkways connecting five buildings that Nebraska state government utilizes and these two blocks serve state employees and visitors involved in the business of state government. You see the two blocks on the second page of the handout, the first block there is the first block north of the State Capitol Building. You see plazas there. You see the two walks on either side of the mall. Those walks are continuous. Those walks do not have any steps or ramps in excess of 5 percent that go the entire seven blocks of the mall, north to south, south to north, which is very different from what the mall is now with crossovers and steps and stairs and all those kinds of things. The plaza, as you see, this gets into the educational component a little bit, but the plaza you see on that first page, you see the seal of the state of Nebraska underneath the fountain. It's our intention to, in this first block north of the mall, to really represent our state government and what it's all about. There will be engravings on a lot of the limestone surfaces, the stairs and the retaining walls and things like that, that commemorate our great state and people of our state. If you turn to the second page, it's a three-dimensional view looking back at the Capitol of that fountain. The steps you see there are not the...it's obviously in the center of the mall, that's not the ADA-accessible walk path but those steps are really there to create an amphitheater for the 35,000 students that come and tour the Capitol and that's a great place that they use now and we will renovate that place for them to be able to sit on the steps, have their lunch and have a teacher talk to them about the Capitol with the Capitol in the background. If you go to the next page after that, that is the block represented or adjacent to the State Office Building. The State Office Building is to the left there. This block, this plaza here is...we want to commemorate from an educational standpoint our great state and our place, so we have a plaza that represents the ecosystems of the region. There's a fountain element on this block on the east side of the mall that represents the Missouri River on the eastern border of our state. This map also has all 93 county seats identified in the pavement with a small point of light that will be very educational for students. But we hope that teachers will use this block to really talk about the place in Nebraska. There's two side plazas next to the State Office Building that will also talk about and be educational regarding our water resources, both our

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surface water and our groundwater resources. As we go to the middle three blocks, which aren't represented on any of these handouts, those are really streetscape blocks. The traffic will remain on those blocks and, again, the safety and security aspects of the mall will be carried through on those blocks. There is no pedestrian lighting on the mall right now, by the way. It's very dark at night and we will be including new pedestrian lighting that is energy efficient up and down all seven blocks of the mall. The projected cost of the renovation, as others have talked about, is approximately \$8.1 million, and in addition to that the endowment of \$1.5 million is being raised as well. We're asking, as you've heard before, for a consideration of \$1.2 million for the state to help fund the accessible walks and the lighting, primarily, those pavements and lighting in the southern two blocks with this project. The first phase of the construction of this project will begin this summer. We're going out to bid later this spring. This work will all be paid for by city of Lincoln funds and the reason we're doing this is because there is a federally funded project that will be happening in downtown Lincoln this summer to remill and repave all of the downtown streets. We're actually moving some curbs and doing handicapped accessible ramps and other things as part of this project, and it made sense from an efficiency and cost standpoint to try to piggyback the three middle blocks with the city project, so that's why it's happening this summer in terms of the three middle blocks. The cost of that first phase is \$2.2 million, again funded by the city of Lincoln commitment, and that work will be done then by the end of this fall through this construction season of 2012. In summary, this plan celebrates Nebraska and Nebraskans and has been developed in conjunction with many people to really not only provide safety and aesthetic beauty but also educational opportunities for folks that use the mall to understand more about our state and the great people of our state. Fund-raising campaign has been organized and about 60 percent of the funding has been raised already. The commitment of \$1.2 million that we're asking from the state of Nebraska would be a significant boost to help us get through the rest of the fund-raising prior to the 2017 date. If you have any questions, I'd be happy to answer any of those, talk about the design or anything else. [LB859]

SENATOR HEIDEMANN: Senator Nelson. [LB859]

DENNIS SCHEER: Please. [LB859]

SENATOR NELSON: Thank you, Senator Heidemann. Thank you for these good drawings. And just as a point of information, when you talk about pedestrian lighting, I don't see any light poles here or anything. Is pedestrian lighting then something that's maybe below the knee? [LB859]

DENNIS SCHEER: No. If... [LB859]

SENATOR NELSON: Could you... [LB859]

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DENNIS SCHEER: In fact, if you go...if you can go to this sheet right here, this is actually the block that includes the Children's Museum and Andersen Hall. If you look on the right-hand side of that drawing you'll see a light post that's on the outside of the walk over there. [LB859]

SENATOR NELSON: Oh. [LB859]

DENNIS SCHEER: There are, just so you know, there are 8 lights on either side of the mall, so there's 16 total for each block. [LB859]

SENATOR NELSON: I see. [LB859]

DENNIS SCHEER: And they're spaced about between 30 and 50 feet apart and that will light the walkways, accessible walkways. [LB859]

SENATOR NELSON: And that will cover through the trees here and in the middle? [LB859]

DENNIS SCHEER: Absolutely. Yeah. Yeah. [LB859]

SENATOR NELSON: Okay. [LB859]

DENNIS SCHEER: Yeah. [LB859]

SENATOR NELSON: So really no lights down on pavement level or any... [LB859]

DENNIS SCHEER: We actually may include some lighting...we will include some lighting in some of the retaining walls so we get some effect on the water features and things, and there will be lighting also in the water features, in the fountains. But this is the area lighting for safety. [LB859]

SENATOR NELSON: Steps, are they pretty much...there are no steps for the most part? [LB859]

DENNIS SCHEER: The only steps that will remain in the mall, we're going to scrape the mall clean and rebuild, but the only steps that will remain in the mall are the ones that I showed you on the drawing of the first block north of the Capitol. And really, those steps are as much to create an amphitheater effect as anything. No one will have to walk on steps to get up and down, across the mall. [LB859]

SENATOR NELSON: Okay. Thank you. [LB859]

DENNIS SCHEER: Yep. [LB859]

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SENATOR HEIDEMANN: Senator Hansen. [LB859]

SENATOR HANSEN: Thank you. The very last page of your handout with the open view of the mall, you know, black-and-white picture... [LB859]

DENNIS SCHEER: Yeah, that's an historic photograph. [LB859]

SENATOR HANSEN: Yeah, that's...is it a photograph or probably a rendering? [LB859]

DENNIS SCHEER: Well, it's a drawing, yeah, I'm sorry. Yeah. [LB859]

SENATOR HANSEN: Yeah. That looks like a very open plan with very few trees and considerably wider than it could ever be today. Is there any...did you look at this to try to duplicate what this looks like rather than...it looks like there's an awful lot of trees on your plan,... [LB859]

DENNIS SCHEER: We did. [LB859]

SENATOR HANSEN: ...an awfully lot of trees. [LB859]

DENNIS SCHEER: Yeah, the trees that we're... [LB859]

SENATOR HANSEN: The first block looks like red cedars. [LB859]

DENNIS SCHEER: Well, they're actually concolor firs, as you see at the base of the steps on both north and south of the Capitol now. Those are concolor firs. The trees that we're showing, if you look on the first page, on either side of the mall are really overstory red oak trees that will provide shade for those people that are walking on the walks. If you look at that first page, though, the mall blocks themselves are going back to that concept that you saw in the historic drawing. We're going to leave those open, lots of green grass and open flat surfaces so people can throw a Frisbee or have a farmers' market or put a blanket on the grass. So we are really trying to go back to the first kind of concept that Goodhue had, yes. [LB859]

SENATOR HANSEN: Okay. Thank you. [LB859]

DENNIS SCHEER: Uh-huh. [LB859]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB859]

DENNIS SCHEER: Thank you very much. [LB859]

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SENATOR HEIDEMANN: Welcome. [LB859]

JEFF SEARCY: Good afternoon. Thank you very much. Thank you, Senator Heidemann, for this opportunity, members of the committee. My name is Jeff Searcy, it's J-e-f-f S-e-a-r-c-y, and I have the privilege of serving as chair of the Nebraska Capitol Environs Commission and here to report regarding and to urge your support and advancement of LB859, the creation of the Centennial Mall Project and the appropriation toward this revitalization of the state treasure that we all know as Nebraska Centennial Mall. But before I do begin the testimony, I just wanted to say thank you for all of your cordial receptions that the campaign team received in the individual visits to your offices. It's very much appreciated and we thank you for that. Today I'm going to keep my testimony very brief. Many of the points have already been made but the three that I'd like to just emphasize again is the Capitol Environs Commission District and kind of that perspective coming before you today, Centennial Mall, the history and the future and why we feel this is the time to act and the positive economic impact it can have on our state, and also the momentum of the progress that's definitely happening as we approach Nebraska's sesquicentennial celebration coming up in not too many years here. And of course we want to remember the March 1 celebration and kickoff and announcement, special announcement that you're all invited to in the Rotunda coming up in just a matter of weeks. So first the Nebraska Capitol Environs Commission itself, it was created, as just kind of a review and reminder, as an act of the Legislature in 1987, championed then by State Senator Doug Bereuter as a joint city and state body to guide, enhance, and preserve Nebraska's Capitol Environs District, which was basically the areas surrounding our great Capitol Building. I've had the honor of serving on this commission now at the pleasure and appointment of three different Nebraska Governors, so over the past 14 years, and let me just let it suffice to say that over that time the topic of crumbling condition of Centennial Mall has found its way to meeting agendas on a very many occasions but not till recently, really in the last almost year or so, the significant traction that you've heard about today has begun to happen. The momentum is definitely in place and even so much so since the last time that we were in front of you last year with that request. Centennial Mall itself, you know, is the vision of our historic Capitol's famed architect, Bertram Goodhue for the grand promenades, the wide avenues that would go out from each of the main directions from the Capitol, and I believe the Capitol Environs Commission feels, and I think rightfully so, that Centennial Mall is the crown jewel of those grand promenades, right out the doorway to the north, stretching all the way to the university. And this effort, interestingly enough, dates back to 1937 when state leaders formed...they formed a joint commission to explore the idea of these wide avenues and forward-thinking pedestrian malls, which set the stage for what eventually became Centennial Mall to help celebrate, of course, Nebraska's 100th birthday in 1967. And as you know and have heard, the Legislature has been advised by our commission and others for many years, it's fallen into ruin and it's, well, it's kind of an embarrassment but we've got that chance now, kind of an historic opportunity and yet a real responsibility, and we would call on

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your generous support because today the revitalization of Centennial Mall will have a positive economic impact and will become a premier new tourist destination for our state, I'm convinced, and part of that is because of, point three, the momentum and progress that you're seeing. It's on our side to make this good investment now and improvement this year. As was testified last year, for the first time since we've alerted this body to this overwhelming need to restore and revitalize this front promenade to our world-renown and now beautifully restored Capitol Building, for the first time resources have become available. That's a huge thing. The city of Lincoln has committed serious and real funding for the project. That's begun the momentum. And I really thank everyone involved in that effort and Senator Avery also for continuing to champion this cause along with so many others. The significant progress that's been made just since last year when we were able to meet and testify I want to acknowledge. I want to acknowledge the fact that at the most recent joint meeting we are charged, as the Nebraska Capitol Environs Commission, to meet annually with the Capitol Commission, Nebraska Capitol Commission, which we did in I believe it was mid-November, and at that time it was moved and both commissions went on record in unanimous support for the Centennial Mall revitalization project. And Governor Heineman, I thank him for that, he cast the first affirmative vote and very much appreciative. And I also want to thank the design team. They've been working nonstop really. They've come to practically every single Capitol Environs Commission meeting to continue to get input from your commission that was created and also the capital campaign group has really been out there doing a superb job in the PR realm with...you saw, I believe, or have access to some of the PR videos that have been created and the design that's continuing to come forth. And so we're very excited about that, not to mention this March 1 event. I'll just reiterate, you'll all be getting invitations. Hope you can make it, 8:30 a.m. in the Rotunda, and that will be some special announcements at that time. So as Nebraska approaches its sesquicentennial celebration, its 150th birthday in just a few short years really, coming right up as a matter of fact, when you look at construction cycles, in a two-, three-year period here, by that time it's going to be time to announce the sesquicentennial celebration, the preparation for it. I just would urge your support and adoption of LB859 and keep this historic project moving forward for all Nebraskans. Thank you. [LB859]

SENATOR HEIDEMANN: Thanks for coming in and testifying today, Jeff. Are there any questions? Senator Hansen. [LB859]

SENATOR HANSEN: Thank you. Thank you for coming. Good to see you. [LB859]

JEFF SEARCY: Yes, thank you. [LB859]

SENATOR HANSEN: Are you going to rename the mall? Is the mall going to be renamed or continue the "Centennial" or...? [LB859]

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JEFF SEARCY: Right now my understanding, it's going to continue to be called Centennial Mall. [LB859]

SENATOR HANSEN: Centennial Mall. Okay. Okay. Thank you. [LB859]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB859]

JEFF SEARCY: Thank you, Senator. [LB859]

SENATOR HEIDEMANN: Welcome. [LB859]

BRUCE BOHRER: Good afternoon and thank you. Thank you, Chairman Heidemann, members of the committee. Bruce Bohrer, appearing on behalf of the Lincoln Chamber of Commerce. For the record, my last name is spelled B-o-h-r-e-r, and we're pleased to be here in support of LB859 to provide \$1.2 million for the Nebraska Centennial Mall revitalization project. I'm not going to try to plow any new ground here. I thought the previous testifiers did a great job of explaining the situation that we're in. I just do want to note that the Lincoln Chamber of Commerce does hold the Convention and Visitors Bureau contract through the county to promote tourism and visitor venues, and so obviously we work to ensure that our attractions are safe and secure and attractive attractions. Centennial Mall, as has been previously noted, has been in disrepair for some time now and also, as was previously noted, recently we use the term "momentum" around Lincoln a lot more than we used to and that's a very good thing. I think for Lincoln and the state, we can apply that term, and on this project specifically we've seen a lot of momentum as far as fund-raising, the volunteers, a very committed group of volunteers that are active in this and partners also. The state, we believe, is a legitimate partner in this project and we think this request is a reasonable request and we would put it to good use and bring in more visitors. On the line of questioning we had earlier about how many visitors we have to Lincoln, I did text our director and he said we only really track our events. I've heard numbers of a million visitors to Lincoln. That seems really shy of what we have. I mean just last year we had a Guardians of Freedom air show that brought in about 250,000, and then with the football games, basketball, so I would guess it's more upward of beyond a million but I even hate to venture a guess. I want to note, too, it isn't just visitors. We love to have visitors from across the state, neighbors from everywhere across the state of Nebraska, but it's visitors from all over the country. You know the state games, we attract everybody. In 2010 we had the National Special Olympics that attracted I think athletes from every state in the country so...and every county in Nebraska. So that's what we really like to see, is people coming in from out of state. And I think when they visit Lincoln we also encourage them to stay here and explore the rest of Nebraska as well, obviously. So that would conclude my remarks unless there are any questions. [LB859]

SENATOR HEIDEMANN: Any questions? Seeing none, thanks for coming in today,

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Bruce. [LB859]

BRUCE BOHRER: Thank you. [LB859]

SENATOR HEIDEMANN: Welcome. [LB859]

DAN McGUIRE: Good afternoon. Thank you, sir. It is a pleasure to be here. My name is Dan McGuire, Dan, common spelling, D-a-n, last name M-c-G-u-i-r-e. I reside at 515 West 4th Street in North Platte, Nebraska, Senator Hansen's district. First of all, I am the past-president of the North Platte City Council. I am still a member of the North Platte City Council, and I am here to testify today as a member of the Nebraska League of Municipalities executive committee. And on December 2 of 2011, the executive League committee voted unanimously in support of this important project for the entire state. Centennial Mall is an extension of the State Capitol Building, as has been pointed out many times. How we take care of the Centennial Mall reflects on the state of Nebraska as well as the city of Lincoln. As a retired public school teacher of North Platte High School, I remember when all the fountains of the Centennial Mall were in good shape. It created a beautiful sight leading up to the front of the State Capitol Building. It will enhance a learning opportunity for very, very many students. Please support funding for (inaudible) the Capitol restructure, restore, and rejoin Centennial Mall in making it better than before, when it was ever first constructed. Before Senator Hansen accuses me of being the same thing he did with Senator (sic) Beermann, the old fossil, I know this should not be included necessarily as part of my testimony but I have to get a little jab at my state senator. I was teaching in North Platte High School when he and his beautiful wife were students. (Laughter) I also had the pleasure of having both of his sons and their beautiful wives as students. So Senator Hansen and I go a long way back. Anyway, unless you have questions...go, Senator Heidemann. [LB859]

SENATOR HEIDEMANN: Are there any questions? [LB859]

SENATOR HANSEN: Thank you for coming. [LB859]

SENATOR HEIDEMANN: Senator Fulton. [LB859]

SENATOR FULTON: Thank you, Mr. Chairman. Sir, is there anything that you care to share about Senator Hansen's... (Laughter) [LB859]

DAN McGUIRE: Not in this body, no. Tom's secrets and mine are secrets and they'll remain there. Thank you, Senator Fulton, for asking though. [LB859]

SENATOR HEIDEMANN: Senator Hansen, do you want to add anything? [LB859]

SENATOR HANSEN: Yes. Thank you. Thank you, Mr. McGuire, for coming today. It

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really is...shows a lot of enthusiasm across the state to come and...for you to come here and speak in favor of this project. So you saw all the fountains work. I can't say that I did. That's something, I wish I'd have seen that when they were all working. And I think it's, you know, it certainly is in disrepair. It's not...a year ago I walked with a cane because of a bad knee and it was hard to walk up and down those crumbling stairs and all that, so I certainly agree. But I do appreciate you coming here and supporting the project. [LB859]

DAN McGUIRE: I also, if I may, Senator, throw in one other thing, I've known Tom Hansen for years, a couple years anyway. I've known Senator Mello, who is not right here at the moment, and also the gentleman who introduced the bill, Senator Avery. I trust their judgment. If they say it's a good project, I would recommend that you gentlemen take it as a good project too, all in favor of it. [LB859]

SENATOR HEIDEMANN: Thank you. [LB859]

DAN McGUIRE: As an old teacher, I will throw in one other thing. I know a teacher never knows when to shut up. But as a friend of mine used to say, never allow a politician and a teacher to have the floor. They never do know when to stop. Thank you, gentlemen. Thank you for your time. [LB859]

SENATOR HEIDEMANN: We understand what you're saying when Senator Adams gets up and takes the floor in the Legislature. (Laughter) Welcome. [LB859]

PATRICIA PANSING BROOKS: (Exhibit 7) Good afternoon, Senator Heidemann and members of the Appropriations Committee. Thank you for seeing us today. My name is Patricia Pansing Brooks and it's P-a-n-s-i-n-g and then Brooks, B-r-o-o-k-s, and I'm an attorney with the Brooks Pansing Brooks Law Firm in Lincoln, and I come here today as a community volunteer and campaign leader who is committed to the beautification and safety of our State Capitol's front doorstep and to voice my support of Senator Avery's fabulous bill, LB859. I am honored to be working on Centennial Mall, the campaign, with outstanding, passionate community leaders who have also been volunteering their time for two and a half years since they recognized the value of the improvement of Centennial Mall to our state. Additionally, it is significant that five former Governors serve on our campaign as honorary chairs. If you haven't done so in a while, and I think it's been mentioned, I encourage you to take a stroll down the mall. I think you will be as shocked as I am about the condition. Broken paving stones, cracked sidewalks, and the lack of accessibility make walking the mall dangerous and difficult for all of our citizens, especially our handicapped citizens. Therefore, the campaign committee recently began meeting with private donors across the state about the Centennial Mall Project. As we initiated our requests for meetings outside of Lincoln, we have periodically heard, isn't this a Lincoln project? Why would the state be involved? We point them to state statutes, specifically Nebraska Revised Statute 81-1108, which states, quote: It shall be

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the duty of the Nebraska Capitol Commission to conserve, protect, and enhance the environs and vistas of the State Capitol. Similar duties to "protect and improve" the Nebraska State Capitol Environs are set forth in Nebraska Revised Statute 90-306 establishing the Nebraska State Capitol Environs Commission, a board to be appointed by the Governor, city of Lincoln and/or county of Lancaster. In the preamble of 90-302, the legislative intent set forth states that, quote...and I love all this: The Legislature hereby finds that the Nebraska State Capitol and its environs are a source of pride and inspiration to the citizens of the state. It recognizes that the State Capitol, designated as a National Historic Landmark and regarded as one of the architectural masterpieces in the world, should be a concern not only for the citizens of the city of Lincoln but for all of the citizens of the state, for the State Capitol is a financial, cultural, and aesthetic investment and resource of the entire citizenry. The Legislature further finds that the structures and improvements in the State Capitol environs directly affect the ability of the citizens to enjoy the historical, cultural, and aesthetic treasure that they have in their State Capitol. Finally, the Nebraska Environmental...Environs Act states the city of Lincoln and the county of Lancaster are hereby empowered to expend their respective funds to participate singly, with each other, and with the state of Nebraska in the planning, construction, and maintenance of all manner of special lighting, landscaping, decorative walkway, fountain, and other beautification projects in the Nebraska State Capitol Environs District. Let me emphasize again that the law specifically states that the city and county can expend funds singly, with each other, and with the state of Nebraska. The law does not say or with the state of Nebraska. Therefore, the law sets forth that the state is not only a responsible party in the care and maintenance of the mall and its environs, but the statute arguably characterizes the state as the key participant in its preservation. The statute doesn't offer a choice but arguably sets forth a duty to the state to fund any Capitol Environs project forwarded jointly by the Nebraska Capitol Commission and the Nebraska State Capitol Environs Commission. Fortunately, the city is geared up and Mayor Beutler has committed the first significant funding ever to be directed toward the mall renovation since discussions of revitalization have arisen. The county is participating as well. For the first time ever, thanks to Lincoln Mayor Chris Beutler's very significant commitment of \$3 million on the table, we have money from the city leveraged with \$1.6 million of private dollars which the campaign has raised since this time last year, and the NU Foundation's commitment to help raise money for the northern two blocks. It makes it the perfect time for the Legislature to make a one-time commitment and contribute \$1.2 million to help revitalize our state mall. Included within our fund-raising effort is the \$1.5 million endowment, which we are raising to help the mall...help ensure that Nebraska's Centennial Mall helps our Capitol remain the sparkling beacon and symbol of our state's democracy forever. I want you to know that we are convinced that this fund-raising effort for Nebraska's Centennial Mall will be successful, especially if we have the wholehearted participation by the state. We are very excited and hopeful. The fact that the city has a full campaign organized, ready, and willing to raise funds while asking the state for only one-eighth of the renovation costs and none of the endowment indicates that you have a very good deal

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in front of you. The time is now for the state to act. Centennial Mall will soon be the vibrant entrance to our State Capitol, its environs, and our state university that it once was. We need your help to make it happen. Please join us. Please pass LB859 out of this committee so we can bring the issue to the full legislative body and provide a way to protect the state from future liability while helping us revitalize the front doorstep of our state treasure, the Nebraska State Capitol. Thank you. [LB859]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Are there any questions? I just...one question on the NU Foundation has committed to helping raise money. [LB859]

PATRICIA PANSING BROOKS: Helping the campaign raise money, yes. [LB859]

SENATOR HEIDEMANN: For how much? [LB859]

PATRICIA PANSING BROOKS: They are helping to raise approximately \$2 million but we...but that...it's with our campaign, so... [LB859]

SENATOR HEIDEMANN: So just to help me get it a little clearer, when are they going to start to do that and how's it going for them? [LB859]

PATRICIA PANSING BROOKS: We're not...I don't think I'm privileged to speak to that but I do think that it's...that they are going forward and we're very grateful for their efforts and any efforts they make. [LB859]

SENATOR HEIDEMANN: Okay. [LB859]

PATRICIA PANSING BROOKS: I don't know if somebody else wants to speak to that. [LB859]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thanks for coming in today. [LB859]

PATRICIA PANSING BROOKS: Thank you so much, Senators, for your time. We're excited. [LB859]

SENATOR HEIDEMANN: If enthusiasm sells a project, when she's in your office, let me tell you what. (Laughter) Is anybody else wishing to testify in favor of LB859? (See also Exhibit 8) Is anybody wishing to testify in opposition on LB859? Does someone wish to testify in a neutral position on LB859? Seeing none, would Senator Avery like to close? [LB859]

SENATOR AVERY: Thank you, Senator Heidemann. I realize that you have many

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competing requests that you have to deal with, many of them very worthy. I do not envy the task that you have before you and I am not insensitive to the difficulties you face in making those decisions. I know this request is not...will not be the most important one that you'll be asked to consider this session, but it is an important one and it is one that is important not just to Lincoln but to the state itself. I believe now is the right time to act. We have the momentum. We have commitments. We've done about all we can do to move this project forward so I'm asking you please not let this opportunity be lost, and I'm asking that you act favorably on LB859. Thank you. [LB859]

SENATOR HEIDEMANN: Are there any questions for Senator Avery? Seeing none, thank you. With that, we are going to close the public hearing on LB859 and that is it for today. [LB859]