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Urban Affairs
November 04, 2011

[LR227 LR241]

The Committee on Urban Affairs met at 1:30 p.m. on Friday, November 4, 2011, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR241 and LR227. Senators present: Amanda McGill, Chairperson; Colby Coash, Vice Chairperson; Brad Ashford; Paul Lambert; and Jim Smith. Senators absent: Bob Krist.

SENATOR MCGILL: All right, folks. We've got slim pickings for board member, commission member...what are we? We're a committee. (Laugh) Committee members today. I know there's several other hearings going on, particularly Health and Human Services, and three of our members serve on that committee. So, we're missing them as well. But, for the sake of just moving on and getting started, I'm Senator Amanda McGill, and welcome to the Urban Affairs Committee. Senator Coash, the Vice Chair, is joining me for this wonderful event, and Laurie Holman, our research analyst, and Katie Chatters, our committee clerk, is here today. I think we are expecting one or two more senators. We'll just introduce them as they show up. Please silence your cell phones for me. Otherwise, we can go ahead and get started with Senator Mello and his LR241.

[LR241]

SENATOR MELLO: Good afternoon, Chairwoman McGill, and member of the Urban Affairs Committee. (Laugh) My name is Heath Mello, M-e-l-l-o, and I represent the 5th Legislative District in south Omaha. LR241 is ultimately an outcropping of an interim study my office conducted during the 2010 interim in this committee, which examined economic development tools that were available to municipalities. Two pieces of legislation last session came from that study as well: LB57, which updated the Local Option Municipal Economic Development Act, or LB840; and LB54, which changed tax increment financing bond repayment period, and it was an Urban Affairs Committee priority bill. The Nebraska Redevelopment Act was adopted in 1995 as part of a package of bills designed to attract the Micron Corporation to Nebraska, although

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Micron never moved to Nebraska, and no applications under the act were ever filed with the Department of Revenue. The act was drafted to mirror the existing TIF statutes at the time with two primary differences: one, the definition of "blighted and substandard property" under TIF was expanded to include vacant land; and two, cities were given the authority to use TIF in areas up to 10 miles outside of city limits, depending upon the class of city. While the Redevelopment Act sunsetted in 2000, the statutory language remains on the books, and the purpose of LR241 today is to examine whether reactivating the Redevelopment Act would be useful for Nebraska municipalities as an economic development tool. At a minimum, legislation to reactivate the Redevelopment Act would require a repeal of sunset dates and updating the TIF-like language to mirror our current TIF statutes, as there has been small changes made since the act was last amended. In addition to simply reactivating the act, my office has invited representatives from the League of Municipalities and the city of Omaha, as well as other interested parties, to discuss possible changes that could be made to make the Redevelopment Act a more effective economic development tool. While I'll be happy to answer any questions you may have, I will otherwise leave things to the municipal officers and offices behind me. Thank you. [LR241]

SENATOR MCGILL: All right. Any questions, Colby? (Laugh) No questions, thanks. All right, we will start to hear testimony. [LR241]

R.E. CUNNINGHAM : (Exhibit 1) Chairwoman McGill, Senators...Senator. (Laugh) And future senators coming, my name is Rick Cunningham, C-u-n-n-i-n-g-h-a-m. I am the city planning director for the city of Omaha. First of all, I want to say any economic development tools that you can give us, we'll take. It doesn't mean that we will use them wholesale and use them everywhere and any time. We'd like to use the appropriate tool at the appropriate time for the appropriate use. My father told me a long time ago there's a right tool for every job, and the right tool makes it easy. You can use the wrong tool and you can possibly get the job done. It might look pretty ugly, but you can get the job done. So we will accept any and all tools, any sharpening of any of the tools in the

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toolbox that we have. That will enable us to continue what we are doing, especially in the city of Omaha. What I handed out is just sort of a quick recap of what we had done or are doing in the city of Omaha, and especially as it relates to TIF. The first graphic just indicates of 67 paid-off TIFs within the city, what the results have been. And it's dramatic. Of those 67 TIFs, and it started at a \$40 million value when the TIFs started. And when they were paid off, notice that 40 increased to about \$340 million in value, or, the difference was \$340 million. So that's a 700-plus percent increase--dramatic results. That was when they paid off. As of May of 2011, those same 67 projects now have a value of 464, increase in value, incremental increase of 464. That's over 1,000 percent. Some people have asked me, especially as we've done some recent community redevelopment areas, and questioned whether TIF was effective. I can look them straight in the eye and say hell yes. (Laugh) Please don't tell my boss I said that. The second item that I included in there was one of those areas that we recently did, and that is the Crossroads Community Redevelopment Act. We had some difficulty in putting that in place, just because of the target area and what we had to use in order to get that. I present this mainly just to show sort of the conundrum that we are in. The target area that we focus on is that that's crosshatched, which is primarily the Crossroads, what we're calling the "economic development zone" that we're shooting for. We had to use a bigger geographic area in order to get that. And, in negotiation discussion with a particular public school district, we made it smaller in order to make it more palatable for them, but, so...and when you look and think about the maximums or the thresholds that are in the act, current act, we are managing very effectively the area max of 20 percent. We are nowhere near our value area, and the numbers are...the 20 percent of area and 35 percent of value, we're about 18 percent on both. So the area is where we are constantly having to really effectively manage that. It's just a reality, and we are very effectively managing it. We have some targeted areas that we have to do some things in order to get those targeted areas in there. The other area, the other graphic that I showed you, is the map that shows where we've been concentrating our TIF in the city, and that's basically east of 72nd Street, historically. Although we have, as the city has grown, basically areas west of 72nd Street are beginning to, as the

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Crossroads displayed the blighted and substandard quaff of qualities, that then we could blight and substandard them, and make them community redevelopment areas, areas such as old downtown Elkhorn, for example. Now part of the city of Omaha, but it's been there a long time and perhaps demonstrating some of the elements that would make it a potential as a community redevelopment area--old Millard, also. There's been some interest to bring some focus to the old Millard area and the possible use of TIF in order to incentivize development there. So, we have, for the most part, we really concentrated within our city boundaries, as it relates to using TIF, although there are people who would like us to use it elsewhere, because we have to manage that area, a stipulation, we really have been focused on where we're doing it. So, if we had a Nebraska economic development tool that you're looking at right now, Redevelopment Act, where we could, when appropriate, look at the peripheral of the city within 10 miles, we certainly would want to have that tool in the box, to be able to use it if appropriate. I can certainly think of one particular aspect. We are devoid of, I'm going to say, righteous industrial tracts to attract big businesses, big industry into Omaha. We just don't have 100-, 200-acre sites that could be developed for industry. Now we have land, obviously, around the city, but not in the city, certainly not in areas where we could use, you know, of that size where we could use a TIF currently. So, that would certainly be a tool that would, I think, would be of interest to us. We do have some interest in how you would use that tool, and certainly there's one thing that's been debated, and that is the 15 year. A lot of developers would certainly like, and we would like to have the option, as I've testified before, to maybe look at, not always use, but be able to look at a 20 year, depending on the type of project, and the amount of investment. The Crossroads Project, which is the sort of catalyst project of the Crossroads redevelopment area, is shaking up to be a \$300 million to \$400 million redevelopment project. There...without a doubt, and basically...and based upon what we have been asking that developer to do in the way of that redevelopment, there's going to be a lot of infrastructure reinvestment to create the kind of regional draw at that location. So, it's going to be a big gap in funding. And so we're going to be scrambling to identify any tools that we can to partner with that developer to get that kind of reinvestment that's going to really drive the

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Crossroads back to the top of the list. So, we're excited about the fact that, one, over the last two or three years, you guys have been sitting down and scratching your heads and saying okay, what can we do from a realistic and appropriate manner to develop, sharpen economic development tools? We're excited about it because right now we're kind of frustrated in the city of Omaha. We've got one that we can really effectively use at this point, and that's TIF. We can't use the others because we're constrained with the way things are in the city of Omaha, as far as our sales tax and so forth. So, any additional tools that you can give us, I will promise you that we will use them righteously. We will only use them when it's appropriate, and we will get the biggest bang for every doggone buck we use. So, is David here? No, not yet? Okay. I'm trying to be a little bit like David Landis. (Laugh) [LR241]

SENATOR MCGILL: Well, we appreciate that. [LR241]

R.E. CUNNINGHAM : He's a good friend of mine, so I just...(laugh) [LR241]

SENATOR MCGILL: A good friend of this committee, so. [LR241]

R.E. CUNNINGHAM: Economic...things are, I think with that graphic, I mean, things are really starting to happen in a more, I think, more effective way. We've got a lot of areas that we're looking at for reinvestment in the near downtown area, for example. That will be awesome economic development, redevelopment. Housing, you know, we're looking at about 1,000 apartment units in the last...in the 12-month period that we're in, in and around downtown. We've got people talking about doing things. The Crossroads redevelopment is just totally awesome. I wouldn't have been able to dream that kind of project. But indeed, it is turning out to be a dream project. So, certainly we would take any tools that you give us. We'd like you to sharpen it, make sure that it's usable, that there aren't major roadblocks to being able to use it. But, I will tell you that we would only use it as appropriate, because we still are really focusing on a redevelopment on the eastern part of our city. [LR241]

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SENATOR MCGILL: All right. Senator Coash. [LR241]

SENATOR COASH: Thank you. Thanks. I was writing down some of those maxes. You said you have an area max of 25 percent? [LR241]

R.E. CUNNINGHAM: Twenty percent. [LR241]

SENATOR COASH: Oh, it's at 20. [LR241]

R.E. CUNNINGHAM: And 35 percent on value. [LR241]

SENATOR COASH: Okay, so 20 on the area and 35 percent on the value. [LR241]

R.E. CUNNINGHAM: Yes, sir. That's... [LR241]

SENATOR COASH: Okay, thank you. [LR241]

R.E. CUNNINGHAM: That's in the community redevelopment law. [LR241]

SENATOR COASH: Are you suggesting we bump that up so you have more room? Is that it? [LR241]

R.E. CUNNINGHAM : I wasn't going to presume to suggest that, but I...oh, that would be helpful, yes. But, I mean, you know, we have to be careful, obviously. There have been some who said that Omaha is "over-TIFfed" and I do not believe that. I'm in belief...we are working with these caps, and we are being effective in that. We are managing it. So...but obviously, if you were to bump those up a little bit, we would continue to manage it. I mean, you know, bottom line is we're not going to get...go hog wild doing it. But certainly, on the area, you know, we're...that's the one that we're...I'm

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sorry, not the area. It's the value one that we're bumping up against. Yeah, the area one's not a problem. [LR241]

SENATOR COASH: So, you're bumping up against... [LR241]

SENATOR MCGILL: The 35... [LR241]

SENATOR COASH: The 35 percent? [LR241]

R.E. CUNNINGHAM : No, it's actually, it's the other way around. It's 20 percent if my chart is right. Twenty percent on values and 35 percent on acres. [LR241]

SENATOR COASH: Okay. [LR241]

R.E. CUNNINGHAM: I'm sorry. [LR241]

SENATOR COASH: And you're bumping up against the value one? [LR241]

R.E. CUNNINGHAM: With the values. Twenty percent, and we're at about 17 percent right at the moment. [LR241]

SENATOR COASH: Okay. All right. That's my only question. [LR241]

SENATOR MCGILL: Senator Ashford just joined us. Any questions? [LR241]

SENATOR ASHFORD: No, but I will. I applaud your work on the Crossroads project. [LR241]

SENATOR MCGILL: Me, too. [LR241]

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SENATOR ASHFORD: And also on the Pleasantview project. I mean, that is incredibly, massively important work that the...just as an aside, Senator McGill, because I like to date myself as I approach my 62nd year, is that I recall, in 1961, unfortunately, that my father had a store at the first Crossroads. And now that Crossroads was first developed by Brandeis, actually by Jack Deason's (phonetic) father at Brandeis. And I recall I was 10 or so. And I recall going around the carpet with a carpet sweeper over the night before the store opened that...at Crossroads, and it was quite a thrill for us to have...for me, at least, to be there in 1961. [LR241]

SENATOR MCGILL: Maybe you need a store in the redevelopment, then. (Laugh)
[LR241]

SENATOR ASHFORD: No, but I had...I'll tell you even a funnier story, is that...that's not a funny story, but another story which was that years ago, before Crossroads, there was a...I heard a story about a friend of mine's father. They'd taken a...they had maybe imbibed too much, and they'd gone out to the corner...to the intersection of 72nd and Dodge, which was all fields in 1959... [LR241]

SENATOR MCGILL: Um-hum. [LR241]

SENATOR ASHFORD: And set up a combo out there, and were playing. Nobody knew they were there, out on the corner, in the middle of 72nd. So, we've come a long ways since that time. But, it always was and is a valuable part of Omaha. And the other great benefit to me, it seems, is that as is the case with Midtown Crossing, as you...I mean, this Legislature actually funded the purchase of Joslyn Castle, the idea being that it would enhance the...that midtown area. And now with Midtown Crossing and that...all of that area between Joslyn Castle and Dodge Street, rental, a lot of rental, and...which is fine, except that it should...that will enhance that area, and the values of those properties will go up. And the area north of...the areas north of Crossroads, even the Cole Creek area, developed right after World War II, by Maynor Company, for GIs

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returning from World War II. That area, with relatively low evaluations, will, I'm certain, will go up. I mean, it's just got to, don't they? Wouldn't you think? [LR241]

R.E. CUNNINGHAM : Most certainly. [LR241]

SENATOR ASHFORD: Yeah. [LR241]

R.E. Cunningham: Yeah, I mean, that's the whole idea of our focus on the Crossroads was that we had...well, I don't know if you know that that structure, Crossroads, was purchased for, you know, for \$9 million, which, by the way, is what the parking garage was worth that existed at the corner there at Cass. So, yeah, so that property went from \$20 million plus, \$25 million, \$30 million in value, down to that \$9 million, so a dramatic decrease in property valuation. So...and it's not just there. I mean, part of what we did dream about is not just the Crossroads Mall, but going west, at least to 76th Street or 4...and then going east. And that's why that crosshatched area on the map, what we called the "Crossroads Redevelopment Area," we're not...we weren't just focused on just the Crossroads Mall, but that it would be the catalyst project that basically would then begin our reinvestment in that whole area. You know, the northeast corner of 72nd and Dodge. And further south, we had businesses talking to us already about the problem of accessibility, of visibility of their businesses off of Dodge. Dodge still carries a heck of a lot of cars, and that makes accessibility and visibility difficult. So, there's ways that we can invest in the public infrastructure, reinvest in those businesses so that they can be more visible, more accessible. You did mention, Senator Ashford, about the Pleasant Hill (sic) area and that...the north Omaha area. And that's certainly, as I testified I believe before this committee before, that's one of the areas that, because of vacant lots and so forth and a reinvestment and a more attractiveness of north Omaha, that's an area that we are focused on. We do have the North Omaha Revitalization...Village Revitalization Plan. That's a road map, a vision for north Omaha. And TIF is going to be a tool that we will use, and hopefully we will begin to be able to use it in the more involved manner, because we'll have more private investment

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interested, whereas... [LR241]

SENATOR ASHFORD: Now in that Pleasantview redevelopment, I actually...when I was at OHA, signed an application to tear down the Pleasantview, and so you've come a long way. The wooded area, the kind of border to the interstate, to the west of the interstate and to the east of Pleasantview, that...in there, as I recall, a big challenge. I mean, there are lots of...there's quite a few small lots in that area. [LR241]

R.E. CUNNINGHAM : Um-hum. [LR241]

SENATOR ASHFORD: Is that part of your plan to...to get rid of that forested area to... [LR241]

R.E. CUNNINGHAM: Yes. That's part of the village plan. [LR241]

SENATOR MCGILL: Perhaps we can talk more about some of the specific plans later, because I have lots of questions, too, but. (Laugh) [LR241]

SENATOR ASHFORD: Yeah, but I just don't get at this opportunity, Madam Chair, to. (Laugh) [LR241]

SENATOR MCGILL: Can you stick around, Rick? After the hearing and... [LR241]

R.E. CUNNINGHAM: I can. I'm here for the day. [LR241]

SENATOR MCGILL: Because I want to learn... [LR241]

SENATOR ASHFORD: I very rarely ask questions, Madam Chair, so I'm just... [LR241]

SENATOR MCGILL: And I want to learn more about the Crossroads Project. [LR241]

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SENATOR ASHFORD: I'm just really getting into this, Rick. (Laugh) So you all can leave and Rick and I will just keep... (Laugh) Now, the only last thing I was going to say is that the only other person that remembers Crossroads in 1961 is Ken Bunger, who's sitting right back there. I mean, he's the only other one that... (Laugh) [LR241]

R.E. CUNNINGHAM: Now, I remember it. I was a child in 1961... [LR241]

SENATOR ASHFORD: Very young, a very young child. [LR241]

R.E. CUNNINGHAM: ...and Crossroads was...a very young child, yes, thank you very much. (Laugh) But I remember Crossroads. It was my mall, I mean, and when I came back in 2009 and went into that mall, it brought tears to my eyes to see what it was now, so, I remember Crossroads also. [LR241]

SENATOR MCGILL: Well, I do want to hear more about that. [LR241]

SENATOR ASHFORD: Thank you for the...I appreciate it. [LR241]

SENATOR MCGILL: I didn't know about the redevelopment project about that, so I'm really excited. [LR241]

SENATOR ASHFORD: See, all these other people would have asked questions, but I just took their time. [LR241]

SENATOR MCGILL: That's true. (Laugh) I mean, the Westroads is my mall. That's the one I consider my mall, but, all right, if there aren't any more questions. Thank you very much. [LR241]

R.E. CUNNINGHAM: Thank you. And please do not hesitate to call with any questions,

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or if you want me to come back down and one-on-one or you want to come to the city of Omaha and get a tour, we'd love it. [LR241]

SENATOR MCGILL: All right. Thanks. [LR241]

SENATOR ASHFORD: I'll be there (inaudible) back to Omaha every day. [LR241]

SENATOR MCGILL: Maybe Brad and I can go and just question him for a while, and hear about all of the projects. Hello. [LR241]

KEN BUNGER: Good afternoon. [LR241]

SENATOR MCGILL: Good afternoon. [LR241]

KEN BUNGER: My name is Ken Bunger. I was a former deputy city attorney for Omaha during, probably 1974 through 2002. And since then, have represented the city on some various redevelopment matters, drafted legislation. I was the original drafter of the Redevelopment Act, and it looks almost like I drafted it after it went through the Legislature, but with a lot more conditions on it. And I'm here primarily just to answer some questions and give you some thoughts about why we did a Redevelopment Act, instead of using the community development law. And I guess first, let's see, land. I've never actually heard anybody say they wanted to be Dave Landis, but. (Laugh) That...he's a good friend. Dave was with Urban Affairs at the time that this went through, I believe. The Redevelopment Act's history, as the senator stated, was because of Micron. Micron was a computer chip manufacturer that wanted to relocate. And in order to relocate, they needed hundreds of acres, and they wanted to spend \$50 million to \$100 million. Well, the city of Omaha, like most cities in the country, don't have that kind of land available within the city limits. And, as opposed to many other states, we did not have any way to entice them here to use any sort of subsidy that other states might use. So all we had was tax increment financing and LB775. Now those are very important,

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but tax increment financing could only be used by the city, pursuant to the constitution, and they had to be in a blighted and substandard area. My thought at the time was, well, we'll just redefine "blighted and substandard" and write a new act, and there's nothing in the constitution that says the Legislature has to be consistent. In fact, it's generally quite the opposite. (Laugh). So... [LR241]

SENATOR ASHFORD: Can you stop him, Madam Chair? (Laugh) [LR241]

KEN BUNGER: No. Brad, you're going to have to listen up here. (Laugh) At the time, we thought that was the best thing to do. After a lot of negotiations, Micron did not come. It turned out to be a good thing, because the facility they built out in Utah sat empty for a very long time, and they went away. As it happens, we did use the act. We used it at Aksarben when we were redoing Aksarben when it was owned by the county and then later, a group called "Aksarben Future Trust." The city of Omaha, having the only ability to do redevelopment, took over the project and essentially created what you see there today. The blight and...we used both acts. We used "blight and substandard" under the community development law, which was...at the time we blighted, at one point, Warren Buffett's house, and that got some attention. But we also used the Redevelopment Act, because in its text we had the ability to use personal property for TIF repayment, as well as real property. The Community Development Law only uses real property, although constitutionally, that could be amended to use personal property. The developer of...the prime developer of the Aksarben site was First Data Resources, and they had about 10 zillion computers. And so that ended up being a very helpful mechanism to help fund the project. Those bonds were issued by the city of Omaha and have been repaid. And the project, as you well know, has gone forward with different amendments. So we did actually use the act once. It sunsetted, as was stated, and is kind of sitting there. I think the value of the act, and what takeaway of it really is, that the Legislature just shouldn't be bound just by the blight and substandard definition that's being used for the redevelopment of downtowns, which is really what the main focus is. It's...but, there's a lot of towns out in western Nebraska in particular that need economic development, and

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the economic development occurs on the periphery of town and cannot always be annexed, or maybe shouldn't be annexed. So, the act could be...an act could be constructed using a new definition of "blight and substandard" to fit those circumstances. It could be used for large-scale developments, which its original intent was that Mr. Cunningham stated, that there is a great need in Omaha particularly, and to some extent, in Grand Island and Lincoln for the large industrial tracts. And there's really not a good way to do that, absent the sanitary and improvement district law, and that doesn't always bring a lot to the table. So, to be able to use that as an additional incentive might be very useful in the future in attracting industrial users, once the economy gets changed around a little bit. There are many other portions of the act, since I had a chance to rewrite it. We wrote in a lot of the...clarified a lot of the things that were not very well stated in the community development law. As I was talking to Mr. Cunningham earlier, and he brought up the fact that the...it's generally interpreted, although I don't always agree with that, that he can only use the tax increment funds for acquisition and grading and foundations, not actually on the brick and mortar. I think that the act probably does allow that, but the Redevelopment Act was specifically written to allow for that use. So you don't have this artificial accounting system set up where you have to have certain monies go into certain categories. Basically, what, I think, the Legislature's intent has always been, is here is your taxes, developer, back. You show us a project at the end. How you get there really shouldn't be that important. So there's a lot of things in that act I think we could probably tinker with, if you will, and fix the current redevelopment law to make it just a little more efficient, a little more user-friendly. A number of those items were...came up, and then later when I was acting as bond counsel for some of the smaller cities, we ran into the same problem. So I think we had a little laundry list of helpful things that won't dramatically change things like the Micron act did, but just some good ideas, I think. So, that's my testimony. Any questions? [LR241]

SENATOR MCGILL: All right. Thanks, Ken. Questions? (Laugh) Nope. Brad used up his allotment of questions. [LR241]

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SENATOR ASHFORD: Well, I was going to ask if he hadn't been at Crossroads in 1961. (Laugh) I don't know, that's probably going...is that too far forward? (Laugh) [LR241]

SENATOR MCGILL: Oh, Lordy. [LR241]

KEN BUNGER: Thank you. [LR241]

SENATOR ASHFORD: I'd have to apologize to Senator Hadley if I asked any more, so I don't want to. (Laugh) [LR241]

SENATOR MCGILL: We can find out later if Senator Hadley remembered. It was around Omaha during that time. Hi, Gary. [LR241]

GARY KRUMLAND: Senator McGill and members of the committee, my name is Gary Krumland, K-r-u-m-l-a-n-d, from the League of Nebraska Municipalities. I just want to mention I do think the Redevelopment Act is worth looking at and pursuing and maybe reenacting to get it going. As you heard, the Community Development Act, TIF right now is a valuable tool used across the state in all sizes of cities, and it's one of the basic tools that cities use for economic development. The Redevelopment Act is a little different. It's designed for larger developments that probably would not be used all across the state, or very often, but when that opportunity arises, I think it would be a valuable tool. Right now, the law says that it would need to be a \$50 million investment with 500 jobs, which doesn't happen very often. But, if you had an opportunity to do that, I think it would be nice to have that on the books. And as mentioned earlier, there's some ideas in here that might be valuable to examine to see if they can be incorporated in the current Community Development Act to make that thing look a little better. There are a couple ideas that we've heard and been talking about the last few years, like the 15-20 year payback for bonds. I know a lot of people have said they're really concerned

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about the term "blighted and substandard" because that just gives a negative tone to an area and they would like to have that changed to a "redevelopment area" or something. The problem with those two issues, they...and the constitution. So to change those, we would need a constitutional amendment to do that. But that may be something at least to explore and look at while we're looking at this whole issue. And with that, I'll be happy to answer your questions. [LR241]

SENATOR MCGILL: All right. I don't see any. Thank you. Is there anyone else here for LR241? Senator Mello? He waives closing. Thank you very much for attending that portion of our interim study hearing, and we can move on to Senator Hadley and LR227. Hmmm? [LR241]

SENATOR ASHFORD: Would you ask how many... [LR227]

SENATOR MCGILL: Oh, yeah. How many folks are here for this? For the plumbing code? Oh, look at this! Okay. (Laugh) We'll just, well, go ahead and open, Senator Hadley. [LR227]

SENATOR HADLEY: My name is Galen Hadley. It's always nice to be here as a...is this a subcommittee of the Judiciary Committee, or is the Judiciary Committee a subcommittee of this? (Laugh) [LR227]

SENATOR MCGILL: As well as subcommittee of HHS, there are three people missing because they're at an HHS hearing, so. (Laugh) [LR227]

SENATOR HADLEY: Okay, well, I appreciate your having this hearing because I think it is an important issue, and I do remember going to Omaha in the late 1950s when...(laugh) before the Crossroads and such as that. But I was just a mere child at that time, so. LR227 was intentionally drafted to provide the committee considerable latitude with regard to the adoption and enforcement of plumbing codes within

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Nebraska. At the present time, statutory references to plumbing codes are out of date and need to be changed to reflect the current knowledge in building practices. Is this the time to consider changes to building code enforcement in addition to updating statutory references? It may be time to consider whether or not the state of Nebraska should adopt a comprehensive plumbing code that will be applicable to all political subdivisions within the state. Should the committee conclude that a single, comprehensive building code be adopted, there is the question of whether the comprehensive code be enforced by inspectors at the local or the state level. Where construction occurs in rural cities, is there a burden to inspect? And upon what jurisdiction does that burden or inspection fall? It would be helpful for the committee to provide guidance to the Legislature as to whether or not any local jurisdictions should be allowed to adopt, to continue to adopt a local building code, plumbing code, and under what statutory restrictions adoption of local codes would be allowed; i.e., would the adoption of a local plumbing code only be allowed if the local jurisdiction wanted to adopt code requirements that were more stringent than the provisions specified by a state comprehensive building code? The committee could address statutory and administrative changes that might necessary to implement and enforce any recommended changes to the current system of plumbing code enforcement in the state of Nebraska if it was deemed necessary to make significant changes to the present enforcement structure. And I know there's a lot of people waiting to testify, so I will stop there unless you have any questions. [LR227]

SENATOR MCGILL: No, I don't think we have any questions, and just for everyone's notice, last week we did have a hearing on building codes in general, and the part...many of the questions that you even addressed specifically with the plumbing code we're looking at when it comes to all building codes in Nebraska in terms of enforcement, and which ones we should pass and which local municipality should pass and local governments, so. We look forward to hearing from all of you. Thank you, Senator Hadley. [LR227]

SENATOR HADLEY: Thank you, Senator McGill. [LR227]

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SENATOR MCGILL: Katie, are we prepared to use the light system? Okay, we're going to go ahead and use the 5-minute light system since there are so many testifiers, and I just ask that people try not to be repetitive from testimony that may already be given, just to be mindful of the day. And with that, go ahead and tell us who you are. Say your name and spell it for us. [LR227]

DAVE WAGGONER: Thank you, Senators. Dave Waggoner, W-a-g-g-o-n-e-r, Kearney, Nebraska. I want to thank Senator Hadley for introducing to update this code. He stopped by my office and we visited about it, and I was very impressed that he had a lot of information that he picked up on the Web sites and stuff that noticed that the code isn't updated. We don't have state license. We don't have continuous education. Those are important things. But I'd like to tell the people in the rural communities, when I go out to do a job that's...we can do a safe job according to codes and standards, but we need to keep the codes current and up to date, you know. I tell them we're using the Kearney code, which is current and up to date. When I tell somebody that I use a state code in '93, there's so many things in there that has changed over the years now. You know, just like your septic tank systems that have to be certified and inspected, the well drillers and stuff like that. We just need to keep our rural people. Let them know that they're going to get a quality, safe job. And that's all I have. Thank you. [LR227]

SENATOR MCGILL: So you're a plumber yourself? [LR227]

DAVE WAGGONER: I'm a plumber myself. Sure. [LR227]

SENATOR MCGILL: All right. Senator Coash? [LR227]

SENATOR COASH: Thanks for coming all the way down from Kearney. [LR227]

DAVE WAGGONER: Sure. Thank you. [LR227]

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SENATOR COASH: We have two codes we're talking about here. The Uniform Plumbing Code and then the International Code. Which one are you running off of even though it's old? [LR227]

DAVE WAGGONER: Ours is current. Ours is the Uniform Plumbing Code. [LR227]

SENATOR COASH: Okay so you're using... [LR227]

DAVE WAGGONER: Most of our communities and the surrounding area that I work in: Grand Island, Holdrege, Lexington, all are using the Uniform Plumbing Code. [LR227]

SENATOR COASH: They're all using the UPC Code. [LR227]

DAVE WAGGONER: Yeah. UPC Code. [LR227]

SENATOR COASH: Okay. All right. [LR227]

DAVE WAGGONER: That's...we feel it is...covers a lot more when it comes to...because it has medical gas and it has stuff that is pertinent that we don't see in some of the other smaller codes. [LR227]

SENATOR COASH: Okay. Thank you. [LR227]

SENATOR MCGILL: Thanks, Dave. [LR227]

DAVE WAGGONER: Thank you. [LR227]

SENATOR MCGILL: Next testifier. [LR227]

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MICK GAGE: I'm Mick Gage. I'm from New Hampton, Iowa. I also represent one of the seats on our plumbing board in the state of Iowa. I'm representing myself, however, here today. I'm also a plumbing contractor in northeast corner of Iowa. We chose to go with the Uniform Plumbing Code in Iowa on the fact that most all of rural communities and stuff are running under the Uniform Plumbing Code. We'd much preferred that. Just to let you know what our board did on that. We invited both code companies in. The Uniform, however, is the only one that showed to represent themselves. We invited in architects. We invited in city managers. We invited in the inspectors, and that's how we chose our code. We work with one book there versus international. The people in the field much prefer the Uniform Plumbing. [LR227]

SENATOR MCGILL: All right. Thank you very much for coming from Iowa. [LR227]

MICK GAGE: All right. Thank you. [LR227]

SENATOR MCGILL: Next testifier. [LR227]

JIM WONDER: (Exhibit 2) Hello, my name is Jim Wonder, W-o-n-d-e-r. I'm here representing the city of Omaha. Had some handouts for you. I am a plumber, been licensed in Omaha for 48 years, which sometimes I have to think about that, too. It's a long time. I've been the chief plumbing inspector for the city of Omaha for the past 19 years. We opposed a state licensing. We have a plumbing board. We have a state statute that I'm giving you now that we think needs to be changed and updated. We don't have any doubts about that. But in our jurisdiction...well, first, we've had a plumbing code for over 100 years. In fact, we had references to the plumbing code in an 1882 ordinance. That was handwritten, too, ordinance. So we date back a long ways having plumbing code. And we do. We don't adopt the Uniform or the IPC code. There's a lot of similarities to them. In different ways, there's a lot of similarities between the two codes, in certain aspects. But we have, through our code review committee, we do this about every three years. We're in the process of doing it right now for the 2013 updates.

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But we have to deal with a lot of (inaudible) lot. We have our own public works department. Three departments, or three sections of our public works departments has rules that we have to comply with in the plumbing. So what we do is we incorporate those during our reviews to make for sure that we're not in conflict with another department. Also, our county health department, and the state rules on, oh, say, restaurants, childcare. Our code mirrors those so we don't have conflict with those departments as well. And Metropolitan Utilities District has a set of rules. We mirror theirs, and they mirror ours. We talk to them all the time. We had, during our code review process, actually taken one of the...well, it was the Uniform Plumbing Code. And we highlighted all the sections that would have to be amended to deal with things that come up in our city, and we didn't have much...a lot of book left. We would have had a large amendment. Most cities do that anyway. They amend the thing...Lincoln adopts the Uniform Plumbing Code. There's a 54-page amendment to the Uniform Plumbing Code in the city of Lincoln. So, during our process, it gives a single source for people to look at. I was on the phone to an engineer in Dallas, Texas, this morning. And, of course, knowing I was coming here, I says (sic) how did working with our code go? Did you have any trouble? Was it easy to follow? And he complimented me the ease...that he could find things, and how easy it was to use, and it was all in one place. We get those compliments all the time. It's all in one place. So, not only our plumbers like that, but other people do as well. Is our code equal to the national codes? I believe so. Could you find things that maybe one of the codes that say, well, you need a 2-inch piece of pipe there, and we say we only need 1.5 inches? Yes, you could. But for 7,500 (sic) years, that 1.5 inch pipe's worked. So, why change it because of another code? So we oppose the...anything that would take away that ability for us to adopt our own code. We have to be flexible. We have to make it fit for the convenience of people in our community. Again, plumbers, apprentices, and so on. If we...I'll give you an example. In one of the codes, it refers to the authority having jurisdiction 296 times. So there's 296...I'm sorry. [LR227]

SENATOR COASH: Go ahead and wrap up. You don't get ejected out of your seat.

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(Laugh) [LR227]

JIM WONDER: (Exhibit 2) Well, that's good. I'm sorry. I get...I can get talking sometimes. So this kind of goes back to what we think. We were pretty clear on what we want people to do. I've included some statistics for you. Omaha, we have a total 503,000 people in our zoning jurisdiction. That amounts to 27 percent, a little more than that, of the state population. We have a square mileage of 243 square miles of zoning jurisdiction. Our plumbing board, which is state licensed, would do away with that, which we're very much against the state licensing portion. [LR227]

SENATOR MCGILL: Well, we're not really discussing that so much, but. [LR227]

JIM WONDER: Yeah, but it was in there. [LR227]

SENATOR MCGILL: Understand that you want to go ahead and say that, yeah. [LR227]

JIM WONDER: (Exhibit 3) Yeah, so we oppose that. We had...people can come, get waivers, that state gives it powers to grant waivers. We can service our community through that plumbing board. We have six inspectors. We drive anywhere from 80,000 to 60,000 miles, you know, in inspection. [LR227]

SENATOR MCGILL: Well, we have all this information now, so. [LR227]

JIM WONDER: Yeah. [LR227]

SENATOR MCGILL: If you feel comfortable wrapping up and Senator Coash? [LR227]

SENATOR COASH: I have a final question for you. So you...Omaha has their own code that you locally decide meets the best needs of your community. My guess is you didn't just write your own from a blank piece of paper. You had to use some base code

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standard from which to build and say this is the parts we like. This is the parts that meets our needs better. Which one were, are...did you use to build your base standard of code? [LR227]

JIM WONDER: Actually, it goes back some to a document called PH13 that the Commerce Department did. And they did all the numbers. You can look at any of the waste and vent numbers in the other codes. They all come from that. And also, then, a BMS-66, which was a code and things developed out of that in the '43, around 1943. So yeah, there was other things. We just didn't sit down and start drafting things. [LR227]

SENATOR COASH: All right. But it's...you've been doing it a long time, so what you have is really your own, pretty much your own creation at this point, whether you... [LR227]

JIM WONDER: Well, this...I can show you documents that from federal studies and stuff that...ours mirrors that. I can show you language right out of ours that would mirror theirs. They all came from the same place. [LR227]

SENATOR COASH: Sure. Okay. [LR227]

SENATOR MCGILL: Update...it's coming from the UPC? Some language is the same as that, or no, or? [LR227]

JIM WONDER: Yes. [LR227]

SENATOR MCGILL: Okay. [LR227]

JIM WONDER: Some language is the same as that. [LR227]

SENATOR MCGILL: Okay. [LR227]

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JIM WONDER: And same as the...it... [LR227]

SENATOR MCGILL: We're just trying to figure out... [LR227]

JIM WONDER: The IPC. [LR227]

SENATOR MCGILL: ...how different people build their codes, so. [LR227]

JIM WONDER: Yeah. Well, if you want, someday, I'll give you a history on that and bring you some books, okay? (Laugh) [LR227]

SENATOR MCGILL: Oh, jeez. (Laugh) [LR227]

JIM WONDER: Yeah. Okay. [LR227]

SENATOR MCGILL: All right, thank you very much, Dave, or Jim. I'm sorry, Jim. Next testifier. [LR227]

BILL SCHWEITZER: (Exhibit 4) Good afternoon. [LR227]

SENATOR MCGILL: Good afternoon. [LR227]

BILL SCHWEITZER: My name is Bill Schweitzer. It's S-c-h-w-e-i-t-z-e-r, and I'd like to thank Senator McGill and Senator Coash, and counsel Laurie Holman for the invite to this. At the...handed out some material for you, and hopefully, if you had time to look at it, it really explains exactly how we developed this code, and where it started. And we've been in business for over 85 years, not as long as Omaha, and we're not in the process of wanting to take over Omaha's code. What they have there is a lot more stringent than what this is, and I like their code, but to be able to make it work throughout the country

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and throughout the world, I can't be as stringent as what they are. It is important that codes are adopted throughout the state. Iowa has state licensing, state codes, and the enforcement is so that everybody gets the same thing. When you are operating a business and you're going to go out and compete, then it's a lot easier to be able to compete against somebody who's bidding on the same page. The reason that they did the licensing and the codes in Iowa is because all the contractors said we cannot compete against Two Men and a Truck. And besides that, we have to go back and fix what they put in because they've messed something up and now it's cost the consumer twice the amount of money. Now, I've been a plumber for the last 40-some years, licensed out of Kansas, and I'm pretty passionate about the codes. And I fully believe that if you install your plumbing according to what our code specifies, you should never have to have a plumber back in your house, except to fix those things that are mechanical: a stool, a faucet, a water heater. And it's important that it is adhered to, because there are so many places out here that I've seen, that I've been, and that I've been involved with, that improper installations cause a lot of lives, and a lot of damage. I had an incident in Lawrence, Kansas, that because they didn't adhere to the codes, and they crossed the nitrous oxide notch in the line, I have an 18-year-old kid that's blind, 60 percent deaf, and doesn't speak or walk very well. And he's going to be like that the rest of his life. And no matter what amount of lawsuits that there are and the amount of money they can collect for him, it doesn't bring back that sight. And it's because of the codes were not adhered to. And if you do decide to do codes, because right now what you have on the books is 18 years old. It's the 1993 A40 ANSI Code based off of the UPC. And what we're trying to do is just upgrade it to today's code so that if somebody out here wants to be able to have a code to go by, here's your lead. You can use that. Like I say, Omaha, we're not trying to say hey, Omaha needs to change. We just need to say, we need to protect our people here in Nebraska. I mean, just because you live inside of a city and you have that protection, and you move outside, you don't. And even though we have great contractors and good people out here working, you still have those that come around and decide that oh, yeah, I can do this, and put it in. Well, then, something happens. Somebody gets injured, hurt, or dies, and it's because of improper

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installations. And like I said before, at our 26th hearing, well, just look up water heater exposures. Just Google it up and you'll understand what I'm talking about. It's just...it's pathetic that we have to wait until somebody dies, or wait until somebody is injured before we do something. And I really feel like that the consumers and the people here in Nebraska need that protection. And I know a lot of rural areas, and especially agriculture, they're going to say no, we don't want you messing with us. But when you have a building that has water supplied to it, and you're coming off the rural water, and maybe you have your own well. Yes, they do need to have protection because we need to protect those people from those wells, because we don't know what's in them. So they need a back flow protection. It's just...we don't...their ag buildings, we've already got regulations for those. But their houses aren't any different than anybody else's houses throughout the state, so it's a win-win situation for everybody, not only for your contractors, but also for your consumers. And like I say, I've worked with Jim over in Omaha on several occasions, and a great source of information. [LR227]

SENATOR MCGILL: Well, thank you, Bill, for your testimony. We'll work hard to try to get something done this coming up year. Senator Coash? [LR227]

SENATOR COASH: Thank you. Bill, we have two codes that are out there: the UPC and the IPC. What's your opinion? Which one makes the most sense? [LR227]

BILL SCHWEITZER: The UPC is one book. That's all you need. If you adopt the IPC, you need about five books. Number one, you have two pages. Just two pages for water heaters. That's it in the IPC and the IRC, two pages. Water heaters deserve a lot more than that because you've got combustion air. You've got placement of the water heater. No bedrooms, bathrooms, areas that you're going to be able to be injured from because of a water heater needing combustion air. They don't have any gas. They don't have any medical gas. So you have to buy all these extra books to be able to make it go into one book. That's what ours is set up at. [LR227]

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SENATOR COASH: Which is the UPC? [LR227]

BILL SCHWEITZER: Right, the UPC. [LR227]

SENATOR COASH: All right. Thank you. [LR227]

SENATOR MCGILL: Thank you very much. [LR227]

BILL SCHWEITZER: Yeah. Thank you. [LR227]

SENATOR MCGILL: Next testifier. [LR227]

PATRICK B. LEDDY: (Exhibit 5) Good afternoon. How're you doing? [LR227]

SENATOR MCGILL: Good. [LR227]

PATRICK B. LEDDY: My name's Pat Leddy, L-e-d-d-y, and I currently serve as the business manager of Plumbers Local Union Number 16, Omaha, Nebraska. I'd like to provide the committee with some information about the training and licensing processes that occurs within the city of Omaha at our organization. Plumbers Local 16 consists of approximately 500 journeymen and apprentice plumbers. Our organization prides ourselves on offering the highest-quality education and training, which is why our journeymen members, along with a number of the apprenticeship members, hold several plumbing trade licenses and certifications. One of those licenses that our journeymen members hold is the city of Omaha journeyman license. To obtain this license, our apprentices must successfully complete our five-year apprenticeship program, and then seek approval from the city of Omaha Plumbing Board to take their license exam. Upon passing the examination, the newly-licensed journeyman pays all city of Omaha required licensing fees. In order to maintain the city of Omaha professional plumbing license, a licensed journeyman plumber must pay a licensing fee

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and also complete eight hours of continuing education, per Chapter 49 of the stringent City of Omaha Municipal Plumbing Code. Through this Municipal Plumbing Code, the city of Omaha permits an inspection department, performs daily enforcement visits to ensure all master, journeymen, or apprentice plumbers working in the city of Omaha are adhering to the high-quality standards adopted by the city's Plumbing Board. This locally controlled licensing process has worked extremely well in the city of Omaha, and serves as a model for other Nebraska communities. Any questions? I just wanted to make a statement. [LR227]

SENATOR MCGILL: Questions? [LR227]

PATRICK B. LEDDY: Go ahead. [LR227]

SENATOR MCGILL: Senator Coash? [LR227]

SENATOR COASH: UPC or IPC? [LR227]

PATRICK B. LEDDY: We also teach part of our apprenticeship UPC, so. [LR227]

SENATOR COASH: But your whole apprenticeship program is based off the UPC Code? [LR227]

PATRICK B. LEDDY : No, no. City of Omaha and UPC, because... [LR227]

SENATOR COASH: The city of Omaha, because city's got...the city of Omaha's got their own... [LR227]

PATRICK B. LEDDY: That's where our...um-hum. [LR227]

SENATOR COASH: Which is where your members are. But so you teach? [LR227]

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PATRICK B. LEDDY: We teach both because our jurisdiction goes over into Iowa, which honors UPC license, so. [LR227]

SENATOR COASH: Okay. Gotcha. Thank you. [LR227]

PATRICK B. LEDDY: You're welcome. [LR227]

SENATOR MCGILL: Great. Thank you very much for coming for coming down to Lincoln. [LR227]

PATRICK B. LEDDY: Thank you for your time. [LR227]

SENATOR MCGILL: Any other testifiers? Is there anyone else after this? Got one more after? Okay. Oh, a couple more. Hello. [LR227]

BOBBI ANN PETTIT: Hello. Good afternoon, I'm Bobbie Pettit. I'm the...P-e-t-t-i-t. I'm the assistant development services director for the city of Kearney. I work with Dave Waggoner, who is on our plumbing board. Since I have started with the city of Kearney, in the last eight months, we have introduced on-line testing to our city, to the plumbers in our city. So, previously, in the city of Kearney, we wrote our own tests for our journeymen and our masters, and required them to take a written test. And then, we required one member of the plumbing board and the one plumbing inspector we have to grade those tests, which was extremely time-consuming. Since that time, we've worked with IAPMO, who has been a great resource, and we've worked with National Inspection and Testing. I got it mixed up. NITC certification center in California, and we've introduced standardized on-line testing to the plumbers in the city of Kearney. So now there's no more handwritten testing. They still, our apprentices and our journeymen still put their time in and then they apply to our plumbing board and then they take the standardized test. I feel that standardizing this practice does a better job of protecting

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our citizens because the test is more expensive to take. It also requires more study, so I think we're doing a better job of educating our plumbers, and I think we've professionalized the trade a lot more in the city of Kearney. We are on the forefront of establishing a continuing ed program. We are a city of 30,000 people, and outside of the Lincoln/Omaha metro area, the Grand Island/Hastings/Kearney area is probably the fastest-growing area in the state. As the city of Kearney, we can barely provide this service to our plumbers and our residents to standardize the testing and the licensing to support a continuing education program. Once you move outside of the city, once you go outside of city limits, if you're a resident, you're kind of on your own. You have to trust your plumber, so I'm just here to let you know that outstate Nebraska, we could use a lot more help in standardizing the program. In the city of Kearney, we can barely cover our city, so I highly imagine what's going on in smaller communities or out in the county. Thank you. [LR227]

SENATOR MCGILL: Okay, thank you very much. Do you have a question, anybody? Nope? All right, thank you. All right, one more person from the back row. No, I think he's going to testify, too. [LR227]

KELLY I. TUCKER: Nervous. [LR227]

SENATOR MCGILL: It's okay. [LR227]

KELLY I. TUCKER: Kelly I. Tucker. [LR227]

SENATOR MCGILL: What was your first name? [LR227]

KELLY I. TUCKER: Kelly. [LR227]

SENATOR MCGILL: Kelly, okay. [LR227]

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KELLY I. TUCKER: T-u-c-k-e-r. The statewide licensing would be a great thing for the state of Nebraska. I am a licensed electrician, which follows the state license through the NEC. I am a Grade IV Water Operator with Human Health Services. I do carry a septic installer license, master. Through statewide licensing, better protects our rural areas. There's a lot of farmers out there that could drop a hose in a bucket and have a cross-connection. Just taking a little walk around the State Capitol there, I noticed there was no vacuum breakers on the outside hydrants. And being a plumber in the city of Kearney, we're trained to notice those things, so. We work under the UPC, and I'm on the Plumbing Board at Kearney. I'd like just to thank Senator Hadley for introducing this bill, so that's all I really have to say that I do follow state licensing in the NEC, so I carry quite a few licenses, and I've got a lot of continuous ed that I have to do every year, so, to maintain all those licenses, so. [LR227]

SENATOR MCGILL: All right. Thank you, Kelly. [LR227]

SENATOR COASH: Thank you. [LR227]

KELLY I. TUCKER: Thank you. [LR227]

SENATOR MCGILL: Thanks for coming. I think this is the last one unless anybody else. Nope, it doesn't look like there's anyone else interested. Welcome back. [LR227]

RICHARD A. HAUFFE: Thank you. I appreciate very much, Chairwoman McGill and Senator Coash, for being able to come to this meeting. I sat in on the meeting that you had before. My name is Richard Hauffe. I'm government relations manager in Nebraska, both Dakotas, Kansas, and Minnesota for the International Code Council. The ICC is a membership association, nonprofit, dedicated to building safety and fire prevention, which develops the codes to construct residential and commercial buildings, including homes and schools. The ICC is an organization similar to, let's say, a national league of cities formed to serve a local government and the public, with an area of concentration

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in building and fire safety. We use a legislative process to write the model building, fire, mechanical, plumbing, and other codes used...or, not plumbing, but other codes used in the state of Nebraska. Our voting members are state and local governments who exercise their vote through government agencies, our agents, and employees. Our nonvoting members are manufacturers, designers, contractors, and others with an interest in safe, cost-effective construction. Our strategic partners are the American Institute of Architects, the Building Owners and Managers Association, the National Multi Housing Council and the National Association of Home Builders. Our state chapter in Nebraska is the Nebraska Code Officials Association. International Plumbing Code provisions are developed with a broad participation of industry government in public. This is a code to be applied in local and statewide jurisdictions and is enforced by people who work for those jurisdictions' governments. Members of the hearing committees establishing the content of the international codes, plumbing provisions, include representatives of United Association of...which is labor, the Plumbing-Heating-Cooling Contractors Association, the American Society of Plumbing Engineers, the National Association of Home Builders, manufacturers, state and local regulators, and individual plumbing contractors. Local chapters of the U.S. Green Building Council, the American Society of Heating, Refrigerating, and Air Conditioning Engineers, and Building Owners and Managers Association have all endorsed the adoption of the IPC, as has the Target Corporation. Polling by the local chapter of the American Society of Plumbing Engineers reveals its members support the adoption of the IPC by a nearly 2-1 margin. As a matter of policy, the American Institute of Architects, the National Association of Home Builders, National Multi Housing Council and Building Owners and Managers Association International support the single, correlated code-set principle. AIA states it clearly. The AIA supports regulation by a single set of comprehensive, coordinated, and contemporary codes and standards which establish sound threshold values of health, safety, and the protection of the public welfare throughout the United States. The only single set of comprehensive, coordinated, and contemporary codes and standards is the International Codes. I'm...I've just come back from Phoenix, where they held the annual business meeting of

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the ICC, as well as the final adoption hearings on a couple of the items up for the pool and spa code for 2012, as well as the 2012 IGCC, the green construction code that's coming up. Unfortunately, our members who were here at the last meeting. Steve Nordhues of Norfolk, City Inspector, and Jim Harper, a retired inspector for the city of Omaha, are down there participating in this event. I did talk to them about some of the questions involved with this hearing. Green means I can still talk? [LR227]

SENATOR MCGILL: Yes. [LR227]

RICHARD A. HAUFFE: Okay. [LR227]

SENATOR MCGILL: Keep going. [LR227]

RICHARD A. HAUFFE: All right. And they have a preference to being able to keep authority for adoption in preferences with local communities. I'm not sure how all that all works out with your overall view of things. Of course, you know, I'm here representing ICC, and, of course, I have a...you know, I would advocate a preference for ICC. They would like to be helpful and participate in your discussions, as I would, to eventually develop where it is that you want to go. I agree with the previous speakers that it would cost, it probably would increase some governmental cost to go forward with the state licensing program. But, nonetheless...that means I have to stop talking? (Laugh) [LR227]

SENATOR MCGILL: You can finish your sentence or two. (Laugh) [LR227]

SENATOR COASH: We'd love to hear it. [LR227]

RICHARD A. HAUFFE: Nonetheless... (Laugh) Nonetheless, you know, we want to be helpful in any way we can. I have got business cards for everybody on the committee, for those haven't received them yet, for anybody in the audience, too, that would like to

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discuss this further. [LR227]

SENATOR MCGILL: Okay, that's great, and we'd love to hear from them directly, if they want to e-mail Laurie or myself about what they are...what the code is that they use currently, and all that, we'd appreciate it. [LR227]

RICHARD A. HAUFFE: Thank you very much. [LR227]

SENATOR MCGILL: All right, thank you. Is there anyone else? Senator Hadley, is there anything that you'd like to summarize? [LR227]

SENATOR HADLEY: I brought a 36-page closing, but I'll waive it. [LR227]

SENATOR COASH: I've got some...get him up here, I have a question for him. [LR227]

SENATOR MCGILL: Well, come on up. Senator Coash has a question for you. Come on up. [LR227]

SENATOR COASH: No, I really do. I have some questions for you. [LR227]

SENATOR HADLEY: Okay. [LR227]

SENATOR COASH: It will only take an hour or so. (Laugh) [LR227]

SENATOR MCGILL: We've got time. [LR227]

SENATOR COASH: Senator Hadley, this interim study came out of the bill you introduced last year. [LR227]

SENATOR HADLEY: Um-hum. [LR227]

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SENATOR COASH: And I don't have a copy of that bill, but it's all sounding very familiar from the hearing. But just for clarification and for the record, if you can remember from that particular bill, did your bill that you proposed, I know it was an update of the code. [LR227]

SENATOR HADLEY: Right. [LR227]

SENATOR COASH: But did it have provisions in that particular bill that allowed for some local control? You know, like, the city of Omaha says that they like to make that code...they have a code that they think fits their community a little bit better. [LR227]

SENATOR HADLEY: I think we basically looked at just updating code. Is that right? [LR227]

SENATOR MCGILL: Yeah, I think so. [LR227]

SENATOR HADLEY: We primarily looked at updating the code... [LR227]

SENATOR MCGILL: And that wouldn't change that process. [LR227]

SENATOR HADLEY: ...in LB242. We looked at updating the code, rather than... [LR227]

SENATOR MCGILL: Oops! [LR227]

SENATOR COASH: Oops, sorry, Berri. But that process, you know... [LR227]

SENATOR MCGILL: Yeah, if I... [LR227]

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SENATOR HADLEY: Should I do it? It was primarily update, because the concern that...I sat down with Mr. Waggoner and we looked at, and this happens to be in Legislative District 37, because the last time it was updated, it was under Senator Kristensen, who is the senator from 37, and that was in 1993. So when Mr. Waggoner came to me to talk about it in this (recorder malfunction) primarily to update that. But we felt here, these were some other, you know, as we talked about it, there were other issues that came up as we were looking through this and doing it, so that's why I thought this LR227 would be appropriate for the committee to look at. [LR227]

SENATOR MCGILL: Absolutely. [LR227]

SENATOR COASH: Okay, and was there anything in your bill about a state licensing process... [LR227]

SENATOR HADLEY: I don't believe there was, no. [LR227]

SENATOR COASH: For plumbers? [LR227]

SENATOR HADLEY: No, no. [LR227]

SENATOR MCGILL: No, it was just in the LR. [LR227]

SENATOR COASH: I don't...folks have talked about that, but that wasn't part of your legislation. [LR227]

SENATOR HADLEY: Yeah. Yeah. No, it wasn't. [LR227]

SENATOR COASH: Thank you. [LR227]

SENATOR MCGILL: Yeah, like I said, many of the questions that you asked in your LR

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we heard last week, you know, in terms of what happens in a Kearney versus in the rural part of the county dealing with inspection and follow-up, and... [LR227]

SENATOR HADLEY: And I think this is important that we look at this because a person like Mr. Waggoner does a lot of different places, and this can get a little difficult, depending on which city you happen to be working in, or whether you're working in a rural jurisdiction that doesn't have any code. Other cities have different, because they might be looking at different codes, so it can be difficult for a plumbing contractor who does work around the state to be sure that they're doing quality work. And just quickly to follow up, Mr. Waggoner did give me instances where less than, I should say, substandard work can result in some serious problems for people. So, I think that was kind of the genesis of it. And lastly, it is hard if you go out and ask somebody what code are you using and they say 1993, which is 18 years old. That's a little hard to justify. [LR227]

SENATOR MCGILL: Yeah. I thank you very much. [LR227]

SENATOR COASH: Thank you, Senator. [LR227]

SENATOR MCGILL: And that closes our hearing. Thank you to our senators who joined us at the last minute. (Laugh) [LR227]

SENATOR LAMBERT: I apologize for that. [LR227]

SENATOR MCGILL: It's okay, I know you were in Health and Human Services, right? Oh, yeah, It's totally okay. [LR227]