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Appropriations Committee
February 04, 2014

[LB873 LB874 LB1033]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, February 4, 2014, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB873, LB874, and LB1033, and agency budgets. Senators present: John Harms, Vice Chairperson; Kate Bolz; Bill Kintner; Tyson Larson; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: Heath Mello, Chairperson; and Danielle Conrad.

SENATOR WIGHTMAN: We'll move forward then on our legislative bills. Thank you for being here. So our first bill today is LB873, Game and Parks Improvement and Maintenance Fund. Senator Larson. [LB873]

SENATOR LARSON: Thank you, Senator Wightman and members of the Appropriations Committee. Happy to join you all today. My name is Senator Tyson Larson, T-y-s-o-n L-a-r-s-o-n. I represent District 40, from O'Neill. And I am here today to introduce LB873. I'll be short. LB873's purpose is to take \$15 million out of the Cash Reserve Fund to transfer to the Game and Parks Commission. Game and Parks would be able to use these funds to improve and maintain our state park system. First, this appropriation will help Game and Parks start to tackle the long list of deferred maintenance projects they have slated to complete. Additionally, it will ensure our park system is taken care of for residents and visitors to the state of Nebraska. Our parks are so vitally important to Nebraska. They provide us with places to vacation, explore, and help build our state's economy. I believe that devoting some of our Cash Reserve to our parks is incredibly important so that they can be enjoyed for years to come. Thank you and I'd be happy to answer any questions on this specific bill. [LB873]

SENATOR WIGHTMAN: Thank you, Senator Larson. Do we have any questions? If not, thank you. [LB873]

SENATOR LARSON: Thank you. [LB873]

SENATOR WIGHTMAN: Do we have other people wanting to testify? I see one. Senator Avery. [LB873]

SENATOR AVERY: You moved so fast, I didn't get a chance to fill out my testifier form. I'm not used to doing this. My name is Bill Avery, B-i-l-l A-v-e-r-y. I am here to lend support to Senator Larson's effort in LB873 and his other bills to get additional assistance for Game and Parks. As you know, over the past two years helping Nebraska state parks find a sustainable funding source has been one of my top priorities. Last year I introduced a bill that would have assessed a \$7 fee to all motor vehicle registrations, and it went down in crashing defeat. It would have replaced the existing \$25 permit program that we now have. And that bill, had it survived, would have

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generated an additional \$6.5 million annually for Game and Parks. The idea here was to provide them with the means to deal with their very large deferred maintenance problem. It was briefly debated on the floor, and after about two or three hours of debate we didn't come back to it, and for good reason I think. I thought that was a good idea. I didn't think, however, that it was a very popular idea. So we have been working in the interim to find other ways to provide funding for Game and Parks. Today we have a new funding strategy and LB873 is an important part of that. I appeared before you yesterday to talk about some funding for another bill and didn't expect that I'd be back here today, but I'm happy that you allow me to add my voice in support of this legislation. There are two bills before the Revenue Committee; one, LB814 which I introduced, will divert sales tax from the sale of motorboats and personal watercraft to a newly created Game and Parks Capital Maintenance Fund. Senator Hadley has agreed to introduce a companion bill, LB841, that will divert sales tax from ATVs and UTVs. Do you know what UTVs are? I didn't know. They're utility vehicles. But apparently they use the parks heavily and this bill will be combined with LB814 and will probably get my personal priority for discussion later. So we're talking about \$3.5 million annually to help the department meet its deferred maintenance requirements. The amount is...that will be generated by these two bills, should they be passed, is of course insufficient to allow the discontinuation of the current \$25 permit program. That would have to continue. I am convinced that we can no longer ignore the problem that is very serious now and going, involving maintenance needs and ADA compliance issues. So I am pleased to lend my support to this effort. We're looking at a \$43 million deficit, our deferred maintenance bill. And just to give you a little bit of a breakdown of the kind of programs that we're talking about, there are right now over \$7.5 million in immediate need in deferred maintenance and ADA compliance issues. Thirteen million of the forty-three million that we need would be in the ADA compliance projects. We need another \$8.6 million in a two- to four-year replacement time frame. So help that Senator Larson is asking for would go a long way toward allowing Game and Parks to catch up to where the additional revenue that we hope to provide with these two bills in Revenue Committee, that would provide them with the sustainable income they need to continue to make progress on these projects: replacing, for example, the HVAC units on the second and third floors of Arbor Lodge State Historical Park, replacing hundreds of toilets and showers at campgrounds all over the state, cabin remodels, and trade post replacement at Chadron State Park, replacing the electrical distribution system at Buffalo Bill State Park. The list is almost endless. So I trust that you will look favorably on his request and I thank you for the privilege of appearing before you again to talk about something that is not my bill. So if you wanted to ask me any questions, I'd be happy to try answer. (Laughter) [LB873]

SENATOR HARMS: Do we have any questions? [LB873]

SENATOR KINTNER: Comment? Can I make a comment? [LB873]

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SENATOR HARMS: Comments. Senator Kintner. [LB873]

SENATOR KINTNER: You are quite the spender. (Laugh) I somehow agree with some of your spending priorities of late, so I don't know, some being crazier. But I appreciate you being here. Thanks for coming out. [LB873]

SENATOR AVERY: Politics makes for strange bedfellows, doesn't it? (Laugh) [LB873]

SENATOR KINTNER: It's amazing, isn't it? (Laugh) [LB873]

SENATOR HARMS: Thank you, Senator Kintner. Do we have any other comments or questions? Senator Bolz. [LB873]

SENATOR BOLZ: Thanks for coming in, Senator Avery. Can you help me understand, is there any...and you touched on it briefly, but is there a priority designation for these projects? It sounds like some are more eminent than others. [LB873]

SENATOR AVERY: Yes. [LB873]

SENATOR BOLZ: Can you pull that apart for me and help me understand what's... [LB873]

SENATOR AVERY: No. [LB873]

SENATOR BOLZ: ...what's fallen apart at the seams and what... [LB873]

SENATOR AVERY: I can't do that, but... [LB873]

SENATOR BOLZ: Okay. [LB873]

SENATOR AVERY: ...but I...there are some people here from Game and Parks who can. [LB873]

SENATOR BOLZ: Thank you. [LB873]

SENATOR AVERY: I just have a list of big unit or big projects and this is...these are some of the larger ones, but I don't know what the priority is on them. [LB873]

SENATOR BOLZ: Okay. Thank you. [LB873]

SENATOR HARMS: Thank you, Senator Bolz. [LB873]

SENATOR AVERY: Good question though. [LB873]

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SENATOR HARMS: Senator Nelson. [LB873]

SENATOR NELSON: Thank you, Senator Harms. Thank you, Senator Avery, for appearing today. What were the...you mentioned two bills; one yours, Senator Hadley's. What were those bill numbers again? [LB873]

SENATOR AVERY: LB814 and LB841. One is a diversion of sales tax on motorboats and personal motorcraft, like jet skis. And one would...LB841 is the one on ATVs and UTVs. [LB873]

SENATOR NELSON: Do these bills narrow in on certain things that they want to do in Game and Parks, or is it kind of general, like this \$15 million? [LB873]

SENATOR AVERY: This...those two bills in Revenue would just divert sales tax to go into their...the fund that I mentioned and that fund will be for capital maintenance, and they would prioritize how the money would be used. [LB873]

SENATOR NELSON: Okay. So it's not for annual, ongoing maintenance; it's like this bill, catch up. [LB873]

SENATOR AVERY: No, no, it's annual ongoing maintenance. [LB873]

SENATOR NELSON: All right, those...that's... [LB873]

SENATOR AVERY: ...that they are behind because they don't have enough in their operating... [LB873]

SENATOR NELSON: Okay. So those two bills are providing from now and... [LB873]

SENATOR AVERY: Right. [LB873]

SENATOR NELSON: ...or...whereas this bill... [LB873]

SENATOR AVERY: And Senator Larson's bill is intended to have an infusion of cash to allow them to hit those priority projects right away. [LB873]

SENATOR NELSON: And those...the fiscal notes on those two bills, LB814 and LB841, add up to how much? [LB873]

SENATOR AVERY: About \$3.5 million. It's hard for us to calculate the amount that would be generated by Senator Hadley's bill because of the nature of the calculation is very, very difficult to do, apparently. This is a pretty good guess, though, that it would be

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somewhere around maybe \$1 million and the other amount would be from LB814 and it's easier to calculate that because it's pretty straightforward. [LB873]

SENATOR NELSON: So that \$3.5 million, in the estimation of Game and Parks, would permit them to keep up from that point on? [LB873]

SENATOR AVERY: Right. [LB873]

SENATOR NELSON: Okay. [LB873]

SENATOR AVERY: And that's...in the bill that I proposed last year, the total amount that it would have produced annually would have been about \$6.5 million, so we're still a little bit shy of where we need to be. [LB873]

SENATOR NELSON: Thank you. [LB873]

SENATOR HARMS: Thank you, Senator Nelson. Do we have any other questions? Senator Avery, thank you very much for your testimony. We appreciate it. Thank you. [LB873]

SENATOR AVERY: Thank you for letting me come. [LB873]

SENATOR HARMS: You're welcome. [LB873]

SENATOR AVERY: I know this is a bit unusual. [LB873]

SENATOR HARMS: You're always welcome. Thank you. Do we have anybody else who would like to speak in favor of or a proponent for LB873? Welcome. Thank you for being here. [LB873]

JIM DOUGLAS: Yes, it's my pleasure. Thank you, Mr. Chairman, members of the Appropriations Committee. My name is Jim Douglas, that's J-i-m D-o-u-g-l-a-s. I'm the director of the Nebraska Game and Parks Commission. Please allow me to thank Senator Larson and the cosponsors for introducing this bill. I appear today in front of you, of course, to support LB873. Nebraska's park system is approaching its 100th anniversary in a few years. The first state park in Nebraska was at Chadron, Chadron State Park, in 1921. So as we have 20/20 vision or 2021 vision looking to the future, we have a lot of decisions ahead of us. We've touched millions of lives through our state park system in a positive way, and the people of the state have expectations of having a quality park system that's safe and enjoyable, a place where their families can get together, people can recreate and have a healthy lifestyle. In 1978, the Legislature had good foresight in establishing a state park entry system, which is essentially a user-pay system to help fund state park operations and maintenance. And it has served very well

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in many respects, but the income from state entry permits is only about...less than one-fourth of the total needed to run the state park system. It generates about \$5.5 million a year. The majority of the funds that we operate the state park system off of come from the fees that people pay when they're inside of the park, through camping fees and lodging fees, and also we get some income from some of our vending that goes on by private vendors and so on within the park system. For operations, the General Fund has been providing about \$6.6 million a year. The total budget for operations is about \$23 million a year. And the capital budget on any given year is anywhere from \$1.5 million to \$3 million a year. So some people have asked, as they've seen us dispose of some of our state parks and give them to other local government entities, and we have had some temporary closures in our state park system, they've asked, so how did we...how did we arrive at a place where we have \$42 million worth of deferred maintenance? Well, I think that we've arrived at that place for a couple of different reasons. One of the reasons is I don't think that we have always had the right atmosphere to ask for all the General Fund appropriations that we really probably needed, and also when we've asked to increase the state entry permit fee that's not been an easy task either. The last time that was increased by \$5 for an annual permit, it was two days of floor debate and it wasn't easy, though Senator Pankonin worked very hard to get that \$5. We eventually got it and that means one more million dollars a year for us. One more million dollars a year is the amount that this maintenance backlog is growing each year. So although that's helpful, we do need a larger infusion of cash to bring us up to speed. But I think that in today's aging park system, where we have a lot of great infrastructure needs, where we have aging infrastructure that where this maintenance is coming due and is very expensive, we need to do something different. We're very, very pleased that our state senators and many of you that support finding a way to move us forward. LB873 would provide a means of getting a good start on attacking these challenges. Let me tell you another reason why this is a growing problem. If we go today to, say, renovate a cabin, you'll hear later today about opportunities at Ponca State Park where we have a lot of old cabins nestled in the hillsides. We have old cabins nestled in the hillsides at Chadron State Park built in the '50s. When we go to renovate a cabin like that, we now have to put in a sprinkler system. If we go to put in a sprinkler system, then we often have to upgrade our water system. When we did that at Fort Robinson State Park, for example, we ended up, before it was all said and done, spending \$2 million for a new sewer system, a new water system so that we could put sprinklers in places that needed renovated and that we'd have adequate water and a healthy water supply for all the visitors. We now have toilets, hundreds of toilets, across the state that are out of compliance with environmental protection standards because they're leaking. They're vault toilets and they're leaking. They're also out of compliance with Americans with Disabilities Act standards because they're not handicapped accessible. All of these new mandates add a tremendous amount of money to what is normally a maintenance item that we would have calculated at a different rate 20 years ago. So all of this is catching up to us and we really need your assistance. We know the benefits that the park system serves to

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the people of the state. And you can tell me when, if you want me to keep going or not. I can answer questions. But I want to, besides the benefits to the people of the state of Nebraska that people often think of in enjoyment of the parks, the economic benefits are tremendous for our park system. Nebraska Game and Parks Commission funded a study with a nationally well-renowned entity that does studies of this nature that looks at the dividends of state park participation and found that, according to this, the economic impact for Nebraska of our state park system was calculated at nearly \$749 million annually. And we know, from our recent activities on some partial closures in some areas of the state, that these state parks are so economically important to local communities as well. So there are lots of reasons why we need to have a healthy and diverse state park system, and we just ask you for your consideration of this bill. [LB873]

SENATOR HARMS: Thank you for your testimony. Do we have any questions for Mr. Douglas? Senator Wightman. [LB873]

SENATOR WIGHTMAN: Thank you for being here, Director Douglas. Just for my own information, how many state parks do we have now? [LB873]

JIM DOUGLAS: Seventy-nine state parks. [LB873]

SENATOR WIGHTMAN: Seventy-nine state parks. [LB873]

JIM DOUGLAS: That includes different kinds of parks, like we have 10 state historical parks as part of that 79. We have 59 state recreation areas as part of that. We have two trails, state trails. [LB873]

SENATOR WIGHTMAN: How many total cabins do we have throughout those parks? How many have cabins, first of all, of the state parks? [LB873]

JIM DOUGLAS: About five of those state parks have cabins. [LB873]

SENATOR WIGHTMAN: And how many cabins altogether do we have then out there? [LB873]

JIM DOUGLAS: You know, I don't remember exactly off the top of my head,... [LB873]

SENATOR WIGHTMAN: Okay. [LB873]

JIM DOUGLAS: ...but it's dozens. [LB873]

SENATOR WIGHTMAN: Okay. Thank you. [LB873]

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JIM DOUGLAS: Uh-huh. [LB873]

SENATOR HARMS: Thank you, Senator Wightman. Do we have any other questions?
Senator Bolz. [LB873]

SENATOR BOLZ: Hi. [LB873]

JIM DOUGLAS: Hi. [LB873]

SENATOR BOLZ: Would you be able to answer my question about priority projects and can you pull apart for me what's on fire and what is just sort of needs to be done eventually? [LB873]

JIM DOUGLAS: Yeah, and I'll start generally and get it more specific. But generally, the highest priorities for us out of this \$42 million "elephant" that we have to eat are those that have to do with creating compliance with the Americans with Disabilities Act. So that would include walkways that go to different facilities. It would include renovating cabins in a way that they're handicapped accessible. It would include, if we decide to replace the swimming pools that need to be replaced, they have to either be what's called zero entry, sloped entry, or you have to get lifts put into those so that they can lift handicapped people in and out of the pools. It would also go the electrical systems that are out of code and out of compliance. It would go to all of the toilets and shower facilities that are not handicapped accessible and the toilets that aren't meeting EPA standards. And certain water systems and sewer systems that need to be replaced and be brought up to standards. So it would be those categories of things that we would...that we need to work on first. [LB873]

SENATOR BOLZ: Okay. If you could give us a list or just a little bit more description there, that would be helpful. [LB873]

JIM DOUGLAS: Okay. [LB873]

SENATOR BOLZ: And one other follow-up question is if we were to appropriate the money, what is your process for dividing and conquering the projects that need to be done? [LB873]

JIM DOUGLAS: We would, if we had the \$15 million infusion, we would spend about \$7 million or \$8 million of that each of the next two years, and we would spend it on those types of projects that I'm talking about. We have a lot of the...a lot of the projects that we have to do are easier to accomplish first. For example, if you're replacing water dump stations that are not in compliance at campgrounds or you're replacing toilets and shower facilities that aren't handicapped accessible, we have the standards for that. We can either buy ready-made installations that are put in or we can...we know how to

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contract those very easily. So the ones that are most easily done are also some of the ones that are the most pressing from a mandate's standpoint. I can provide you the whole list of the whole \$42 million. [LB873]

SENATOR BOLZ: Great. Thank you. [LB873]

SENATOR HARMS: Thank you, Senator Bolz. Do we have any other questions for Mr. Douglas? Seeing none, thank you very much for your testimony. Do we have any other proponents for LB873? [LB873]

MICK JENSEN: Good afternoon, Senator Harms, members of the Appropriations Committee. My name is Mick Jensen, M-i-c-k J-e-n-s-e-n. I'm a commissioner from the 3rd District, which is the northeast corner of the state of Nebraska. I live in Blair. I'm in my second term as a commissioner of this agency. And I also want to thank Senator Larson for his interest and his willingness to sponsor this bill. And as a member of the Game and Parks Commission and as a commissioner, I can tell you that our deferred maintenance and our ADA requirements aren't just on paper. They're very real, as Director Douglas has indicated to you folks. These funds are integral for getting us starting on a path to sustainably fund the state park system. They will fund work that will have near-term economic impacts, and they'll provide long-term economic impacts to the state and local areas from a tourism standpoint. Meeting our deferred maintenance and ADA needs in Nebraska's park system requires contracting with design consultants, contractors, construction companies, and these will create work and additional economic activity that will benefit the state. In a recent study, the economic impact of our state park system was nearly \$750 million annually and supports almost 8,200 jobs. Most of the economic impact is external to our parks and benefits local areas and communities. Our parks include 18 public-private partnerships with businesses that operate within our parks. These generated approximately \$4.5 million in revenue in 2012. A few examples of private business operating as concessionaires would include the Mahoney Grille at the Mahoney State Park, the Branched Oak Marina, the Lakeside Country Store at Fremont Lakes, Louisville Lakeside at Louisville, and the North Shore Lodge at Lake McConaughy. In 2012, Nebraska and other local governments received over \$1 million in taxes from our agency's park operations. Our lodging taxes totaled \$408,000, and the sales taxes were \$654,000. Our private concessionaires also collect and contribute tax revenues in addition to those I just mentioned. State parks make up over half of the top 20 tourist attractions in the state and provide an integral backbone to tourism, Nebraska's third-largest industry. We are now at a point where we must begin making very difficult decisions regarding the future of our state parks. And without additional funding, those decisions will become even more difficult. I want to thank you, as a committee, for your service, and indicate to you that we anticipate and enjoy working with you to try to help and solve this problem. [LB873]

SENATOR HARMS: Thank you, Mr. Jensen. Do we have any questions for Mr. Jensen?

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[LB873]

SENATOR NORDQUIST: Real quick. [LB873]

SENATOR HARMS: Senator Nordquist [LB873]

SENATOR NORDQUIST: Thank you, Senator Harms. Mr. Jensen, the number you just read on the \$1 million, that was from... [LB873]

MICK JENSEN: I'm sorry, Senator? [LB873]

SENATOR NORDQUIST: The \$1 million sales tax revenue generated, can you run through that number again? [LB873]

MICK JENSEN: Sure. [LB873]

SENATOR NORDQUIST: That's from sales of the...from the vendors? Okay. [LB873]

MICK JENSEN: Our lodging taxes were \$408,000 and other sales taxes were \$654,000 and that's what we collected. And then our concessionaires were in addition and above that. [LB873]

SENATOR NORDQUIST: Okay. Very good. That's what I needed. [LB873]

MICK JENSEN: And that went to the state and other local governments also. [LB873]

SENATOR NORDQUIST: Great. Thank you. [LB873]

SENATOR HARMS: Thank you, Senator Nordquist. Do we have any other questions for Mr. Jensen? Seeing none, thank you very much for your testimony. [LB873]

MICK JENSEN: Thank you. [LB873]

SENATOR HARMS: We appreciate it. Do we have any other individuals who'd like...are proponents for LB873? Welcome. [LB873]

JOHN MUELLER: Good afternoon. My name is John A. Mueller, J-o-h-n M-u-e-l-l-e-r. I'm from Louisville, Nebraska. I'm here today to support LB873. My residence in Louisville is about 15 minutes away from Mahoney State Park, Platte River State Park, Schramm Recreation Area, and Louisville State Recreation Area. My family has had the opportunity to enjoy these areas for camping, fishing, hiking, dining, running, all the activities associated with the park. So I have firsthand knowledge of how great the park system is and the opportunities it provides us for enjoyment, recreation outdoors. Being

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a lifelong resident of Louisville, I've had the privilege of working in the park system. Thirty-some years ago, I was employed by the park system as summertime help; builds a great foundation for the workers, for the communities, for everybody. So I've had that opportunity. As the mayor of Louisville, I see the impact on the economic development that it does for it. The state recreation provides great opportunities for our business section in Louisville. Basically, every business on our main street has some type of rewarding economic reward from having the park system near our community. A town with a thousand people has a full-time grocery store because of the park system. The owners told me over and over again that during the months of May through August his sales almost double and helps him support through the rest of the year and provide that for our community. So it has a huge economic factor through all of our communities. I can speak for Louisville because I'm part of that community. I know the park system is a great employer. They've got a lot of part-time and full-time employment jobs to add to our community, help our district, and have been a great factor. Senator Kintner, you're representing my district. I know you're a great follower of President Reagan. The trickle-down economics that it provides is a huge impact to our community, and you've seen it by being in our community and the surrounding areas. So I appreciate your cosponsorship of the bill, along with Senator Larson's introduction of the bill. So, you know, to touch a little bit further on the city and the park recreation, how they work together, the city of Louisville was facing a water problem about 10-12 years ago. Went to the Game and Parks. We were able to drop wells. The city of Louisville now provides water and sewer for the Louisville State Recreation Area. We do that at no charge. It's a service that we work together. So I think you see the administration of the Game and Parks Commission working, trying to solve their problems as economically as they can, and this is an example of how they do that. It doesn't always work that way. I know that the foundation has great benefactors that have added a lot of new interest and additions to the park system. But our infrastructure is getting to be 30-40-50 and in some cases close to a 100 years old and needs improvement. I've seen that by the...working in the parks and staying in the cabins I used to clean, and they haven't changed over that 30-year period of time. So we need to find a funding source and assist the parks to provide that economic impact for our state. You know, if you look across it, there's a lot of deferred maintenance that we need to keep up with, and this is a great bill that I think will help us in that direction. I think we're in a competitive nature, especially my community of Louisville. I have several friends that are campers. They actually go to Louisville state lakes and camp for the weekend, enjoy it. We're in a true competition, though, with Iowa and Missouri and need to stay up on that. Because as gas was \$4, people were staying closer to home; now that it's closer to \$3, they're venturing out a little bit more. The economic mood is maybe getting better. And those people are going...I had friends that go to Missouri, Iowa, spend the weekend there. They say how great this new thing was or how they want to go back because that park system has new additions. So we need to provide the competitive edge to stay up on that and to provide the infrastructure servicing that we presently have. So, was going to thank Senator Larson for introducing and Senator Kintner for cosponsoring, and I urge the bill

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to be passed and move forward. So thank you for your service. [LB873]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Senator Nelson. [LB873]

SENATOR NELSON: Thank you, Senator Harms. I'm sorry, I didn't get your last name. [LB873]

JOHN MUELLER: Mueller, M-u-e-l-l-e-r. [LB873]

SENATOR NELSON: Mueller, all right, a lifelong resident of Louisville. [LB873]

JOHN MUELLER: Yes, sir. [LB873]

SENATOR NELSON: Okay. Do you happen to remember when we first acquired, when the state acquired Mahoney State Park, about when that was? [LB873]

JOHN MUELLER: Mahoney State Park, I would believe in the early '80s, I believe. [LB873]

SENATOR NELSON: Early '80s. Were you employed there? [LB873]

JOHN MUELLER: I was at Platte River State Park. [LB873]

SENATOR NELSON: You were at Platte River State Park. [LB873]

JOHN MUELLER: I was, the original Platte River State Park. [LB873]

SENATOR NELSON: I'm just curious if you know what it cost us to acquire Mahoney State Park back then in the '80s. [LB873]

JOHN MUELLER: I'm sorry, I do not do that...I don't know. [LB873]

SENATOR NELSON: Maybe a couple million dollars or something like that? Maybe somebody else knows. I don't know, but I... [LB873]

JOHN MUELLER: I'm sure there's some gentleman back here that can testify to that. [LB873]

SENATOR NELSON: All right. Okay. I'm just trying to think back about that acquisition and what a benefit it's been. [LB873]

JOHN MUELLER: It's been huge, huge for the whole area. [LB873]

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SENATOR NELSON: Right, money well spent. Maybe somebody else will have the figure, so. [LB873]

JOHN MUELLER: As they talk about the people that tour Nebraska, I think it's one of the top tourism places in Nebraska. And its location is simple to get to. I'm blessed that I'm that close. It offers me...I have opportunities, ice skating, hiking. It's got a great dining facility there. So we're blessed to be able to take advantage of that. [LB873]

SENATOR NELSON: One thing I'll say, when you're coming from Omaha, you've got to be careful or you'll miss the turn off there. (Laughter) [LB873]

JOHN MUELLER: Slow down for the deer, you'll be fine. (Laugh) [LB873]

SENATOR NELSON: Yeah, slow down. Thank you very much. [LB873]

JOHN MUELLER: All right. Thank you. [LB873]

SENATOR HARMS: Thank you, Senator Nelson. Do we have any other questions for Mr. Mueller? Seeing none, thank you very much... [LB873]

JOHN MUELLER: Thank you. [LB873]

SENATOR HARMS: ...for your testimony. Do we have any other proponents? Welcome. [LB873]

ANDY POLLOCK: Thank you, Senator Harms, members of the Appropriations Committee. My name is Andy Pollock, A-n-d-y, Pollock is P-o-l-l-o-c-k. I appear before you on behalf of the Nebraska Travel Association as their registered lobbyist. The Travel Association is a group of tourism and convention and visitors bureaus, interest from across the state. I have been authorized by Mr. Kuhn with the Game and Parks Commission to respond to Senator Nelson's question that in 1986, when they purchased the land for Mahoney State Park, I believe it was around 400 acres, 438, they purchased that land for \$1,000 an acre. I was in my sophomore year of college at the time. The Nebraska Travel Association strongly supports LB873 and we thank Senator Larson and the other senators who signed on to the bill for introducing it. Tourism is Nebraska's third-largest industry and the state parks are critical to the tourism industry in Nebraska. I'd echo the remarks that several of the other speakers very poignantly made--poignantly, not pointedly--poignantly made earlier, and I'd be glad to address any questions. [LB873]

SENATOR HARMS: Thank you, Mr. Pollock. Do we have any questions? Seeing none, thank you very much for your testimony. [LB873]

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ANDY POLLOCK: Thank you. [LB873]

SENATOR HARMS: Do we have any other proponents? [LB873]

JAREL VINDUSKA: Members of the Revenue (sic) Committee, my name is Jarel Vinduska, Jarel is spelled J-a-r-e-l, Vinduska is V-i-n-d-u-s-k-a. I'm here representing myself and the Nebraska Wildlife Federation, in which I'm a board member of. We're supporting LB873 for multiple reasons but probably the most important is, as you know, Nebraska being an agricultural state, most of the land of the state, the vast majority of the land is privately owned, and yet most of our population is...are not farmers and ranchers. Most of our...majority of our population is more urban people. And as such, the only...generally the only opportunity that a lot of them have to interact with the outdoors is the park system. And to a large extent, the park system also serves a dual purpose. It provides habitat for wildlife; thus, the Wildlife Federations' interest, one of our interests, because a lot of times in intensive agricultural land, wildlife doesn't have the opportunity in a lot of areas like we do in the state park system. So as a result, young people, this is some of their first opportunity. And it's important for young people to have access to the outdoors and the opportunity to use these facilities, because that's the only way people learn to appreciate nature is if at a young age they start to be able to interact with nature. So basically, all this parkland and facilities is owned by all the people of Nebraska, and as such, as the property owners, I think most people would want that infrastructure and land maintained properly. We wouldn't let our own personal property degrade and breakdown because we know in the long-run it's going to cost more in the future. So I don't see why this is any different. This property needs to be maintained and we have to bite the bullet and do whatever it takes to do that. If you have any questions, I'd... [LB873]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, thank you very much. [LB873]

JAREL VINDUSKA: Thank you. [LB873]

SENATOR HARMS: Do we have any other proponents for LB873? Seeing none, do we have any opponents for LB873? (See also Exhibit 5) Seeing none, do we have anyone who would like to testify in a neutral capacity? Seeing none, Senator Larson, would you like to close, please? [LB873]

SENATOR LARSON: Thank you, members of the Appropriations Committee and all those that came and testified. I think it was detailed today that our park system is a treasure in the state of Nebraska. And we hear a lot of bills in the Appropriations Committee. As a member with you guys, you know, I sit here with you and hear the needs throughout our state, and there are some significant needs. And one thing that I'll

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say about the Nebraska park system and...there are serious infrastructure needs that must be addressed, and I think we heard that today with ADA compliance. And I was really happy to see, you know, the Nebraska Tourism Council came in, because we are trying to make Nebraska more and more of a destination for tourists, for economic growth, and our park system does do that. And this money will help the park system grow and will help it move forward into the future and become more sustainable. So as we move on and we move into posthearing adjustments, I hope we all consider that, that, you know, this isn't...this is serious infrastructure. And I consider, and I'm sure we'll have the discussions, but I consider it more of a need than a want when it comes to the infrastructure of the state of Nebraska and our tourism. And honestly, any bill that's cosponsored by me and Senator Avery and Hadley and Kintner and Lathrop and Schilz has to have some merit when you figure all of us together. (Laughter) It's an odd coalition, we'll say. So I appreciate you guys' time. [LB873]

SENATOR HARMS: Thank you, Senator Larson. Do we have any questions for Senator Larson? Seeing none, thank you very much. This then closes, officially closes, LB873. We'll now open for LB874. Senator Larson. [LB873]

SENATOR LARSON: Thank you, members of the Appropriations Committee. I am Senator Tyson Larson, T-y-s-o-n L-a-r-s-o-n, representing District 40 from O'Neill, and I am here to introduce LB874. LB874 goes along the lines of LB873 but would appropriate specifically \$2.5 million to the Game and Parks Commission towards Ponca State Park. First, \$1.5 million would go to updating and improving the swimming pool complex located at the park. The swimming pool area was constructed in the 1950s and is a popular attraction among visitors of the park. This appropriation would allow the park to build new attractions in the pool space and ensure that the facility is ADA compliant. The age of the swimming pool, coupled with its popularity, necessitates this upgrade and expansion project. The remaining \$1 million would be used to develop 12 new camper cabins to replace the existing cabins on the premises. The current cabins were constructed between 1930 and 1960, and they need to be phased out and replaced with updated structures that are ADA compliant. These new cabins would be complete with two bedrooms, a kitchen, and full baths. These updates will undoubtedly attract additional visitors to Ponca State Park and encourage them to stay and enjoy the park for longer than perhaps originally planned. The recent updates to our other areas of Ponca State Park have helped the park's revenue significantly over the past five years. The park will soon be at the break-even point, and I believe with these additional improvements the park's revenues will continue to increase even further and put it into the black. I echo the sentiments I expressed in LB873. We need to make sure that our park system is taken care of and that our parks are welcoming, updated, and clean places for our citizens and those visiting to the state to use. We also need to make sure that our state parks are around for years to come so that future generations can experience the beauty that our parks represent. Thank you. And I'd be happy to answer any questions specifically to this. [LB874]

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SENATOR HARMS: Thank you, Senator Larson. Do we have any questions for Senator Larson? Senator Nelson. [LB874]

SENATOR NELSON: Am I asking a lot of questions today? (Laugh) [LB874]

SENATOR HARMS: Sure. [LB874]

SENATOR NELSON: Thank you, Senator Larson. Is Ponca State Park in your district? [LB874]

SENATOR LARSON: It is. It's on the very east end of my large, 220-mile-wide district. [LB874]

SENATOR NELSON: Does this smack of pork barrel a little bit? [LB874]

SENATOR LARSON: (Laugh) You can...I wanted to be as transparent as possible with my request. You know, I truly believed in LB873 and the \$15 million that the offer had. I also know that there are projects at Ponca that are facing the same type of infrastructure and ADA compliance issues that are in the other \$15 million that I introduced in LB873. So with LB874, I wanted to be as transparent as possible to the committee in the sense that this...I'm not trying to tuck it within just that \$15 million of LB873. Plus, the concept was, you know, \$2.5 million to Ponca will free up, you know, the other \$15 million or whatever to come next... [LB874]

SENATOR NELSON: Uh-huh. [LB874]

SENATOR LARSON: ...for other projects, infrastructure projects within the system. You know, if I wanted, I could have just introduced the bill for LB873 to be \$17.5 million, and Game and Parks could have put the \$2.5 million, you know, moved projects to have the \$2.5 million for Ponca. But as I said, as a senator of this body, I wanted to be as transparent as possible to my fellow Appropriations Committee members. [LB874]

SENATOR NELSON: Along with the rest of us, I think you must have been a recipient of an e-mail, a long e-mail in opposition to LB873, LB874, LB814, LB841, and LB1033. (Exhibit 1) I didn't ask any of our former testifiers. Do you have any response to some of the long, how shall I put it, huge amount of allegations of mismanagement and things of that sort? [LB874]

SENATOR LARSON: You know, I think Game and Parks will probably be...I don't think I showed them the e-mail. But every...I think we receive e-mails at all times from numerous people across the state that have opinions on certain issues. And I don't always agree with everything that you do, Senator Nelson, and you don't always agree

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with everything that I do, and that's politics in general. And obviously, that individual had issues with Game and Parks. And I don't always agree with everything that Game and Parks does. I know there's been issues in the past that I've had issues with, you know, something that Game and Parks might have done or a program within Game and Parks, we'll say the Environmental Trust, I may have had issues with in the past. But that doesn't detract with what the mission of Game and Parks is doing and the infrastructure need that is needed within Game and Parks to ensure the system continues to survive. So, you know, that individual is certainly...has their opinion and I will respect that opinion but, at the same time, respectfully disagree. [LB874]

SENATOR NELSON: Well, thank you. I agree with your comments. The import the letter seems to be, well, they've made a lot of mistakes so we're not going to do anything about it now. They need a new business plan. They needed all that stuff. But my point is, I think if there were mistakes made, I think we've got to still, nevertheless, try and rectify whatever went wrong and get started on the right track. That's my thinking. [LB874]

SENATOR LARSON: I completely agree with you. And like I said, I appreciate your question. I mean some might call this LB874 pork barrel, but, as I said, I want to be as transparent as possible. And Ponca is a great park. And again, I made a jab of those that introduced...those cointroducers on LB873. When I was taking LB873 around to get a few cosponsors, I had LB874 with me and Senator Lathrop cosigned this and I didn't even ask him. And he talked about the wonders of, you know, he visited Ponca State Park. It really is just a beautiful park and I know it hosts one of the largest expositions in the state at Ponca. The Missouri River Expo had, you know, had 20,000 or 25,000 visitors. I think it might even be more. They can answer that. But it's just an amazing event that brings a ton of economic development to the city of Ponca, and we need to...and I wanted to be as transparent as possible to the committee so I wasn't...you guys didn't feel like I was pulling the wool over your eyes or anything of that nature. [LB874]

SENATOR HARMS: Thank you, Senator Nelson. [LB874]

SENATOR NELSON: Thank you. [LB874]

SENATOR HARMS: Senator Wightman. [LB874]

SENATOR WIGHTMAN: Thank you, Senator Larson. I'm just looking at the figure. I see \$1 million to build 12 two-bedroom campers. I'm assuming, and maybe somebody else can better answer that, but that would be about the cost of \$85,000 per cabin. Do you know how many square feet are in the cabins? [LB874]

SENATOR LARSON: I don't, and maybe someone from Game and Parks. I know I've

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been through Ponca State Park and I saw them as I drove by, but, I'll be honest, I've never been into one of the camper cabins. They are replacing the ones, as I said, that were built between 1930 and 1960. I know Senator Nelson talked about Mahoney State Park and what an investment that has been in the early '80s. I wasn't around for that either, so this is all pretty new to me in terms of, you know, the park system and learning about the park system. So I can't answer exactly how many square feet it is. I know they...Ponca has recently built some really just absolutely magnificent cabins within the park that are a little bigger than I think these camper cabins are but that are booked fairly solid and bringing in a lot of revenue to the park. And they're looking...they're actually, you know, they need to expand and...because they are that booked. And this helps that, you know, and draws attention to the park. [LB874]

SENATOR WIGHTMAN: And again, Senator, you may not know the answer to this, but will it be new water and sewer systems out there? [LB874]

SENATOR LARSON: Again, maybe somebody from Game and Parks can help answer that,... [LB874]

SENATOR WIGHTMAN: Okay. [LB874]

SENATOR LARSON: ...that question. As I said, I did the tour of the park and drove by everything. In terms of that type of infrastructure within the park, I'm not completely familiar with. [LB874]

SENATOR WIGHTMAN: Thank you. [LB874]

SENATOR LARSON: I'd refer that to somebody behind me. [LB874]

SENATOR HARMS: Thank you, Senator Wightman. Do we have any other questions for Senator Larson? Seeing none, thank you, Senator Larson. Do we have any other proponents for LB874? Welcome. [LB874]

JIM DOUGLAS: Welcome. Thank you very much for the additional opportunity to appear before you. My name is Jim Douglas, J-i-m D-o-u-g-l-a-s. I'm the director of the Nebraska Game and Parks Commission. We fully support this legislation and hope that you'll give it the consideration that it deserves. The items that were enumerated are part of our overall deferred maintenance list and they are a high priority for the Nebraska Game and Parks Commission. Ponca State Park, as Senator Larson said, is on the verge of being a revenue generator, which I think is very important. Over the last year and a half, we've undertaken a really in-depth study of all of the installations in our state park system, looking at them from a visitation standpoint, where visitors come from, what kind of visitors and visitation is being conducted in each park, what our infrastructure is in each park, what the life span of that infrastructure is and so on. And

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as part of that, we've also calculated, for example, the costs per visitor to our overall budget. In the case of Ponca State Park, there's about 800,000...over 800,000 visitors a year now and we're generating about \$1.1 million, and that's right at the edge of what it's costing us to operate on an annual basis. We think that with the upgrades that are being discussed under this bill we'll push that to a point where we're a revenue generator, which will help with the overall financial health of the park system and certainly Ponca State Park. So I think that's important. And with that, I guess I would also mention that I think, Senator Larson, I think in the earlier years our Ponca Expo was in the 25,000 to 30,000 visitor range of families and kids enjoying a whole wide variety of outdoor activities. I think it was closer to between 40,000 and 50,000 this last year. It's growing. It's a tremendous event. With that, I'd maybe answer some of the questions that other people had. [LB874]

SENATOR HARMS: Thank you, Mr. Douglas. Do we have any questions for Mr. Douglas? Senator Wightman. [LB874]

SENATOR WIGHTMAN: Thank you, Director Douglas. Maybe you can give me a figure as to about what reasonable costs per unit and what the square footage is per unit of the 12 units. [LB874]

JIM DOUGLAS: It's about...they're between 500 and 600 square feet, two bedrooms. They're a relatively small two-bedroom cabin that meets the needs. They can be rented very reasonably and they meet the needs of a lot of the visitors to the park for that kind of facility. As Senator Larson said, we have some other larger cabins that accommodate larger guest needs and so on, but these are...will be very popular. We have the water distribution system already and we have the sewer distribution. We'd have to have a distribution line, of course, go to these cabins, so it costs about \$170 per square foot, including all the prep costs and the distribution lines and so on for these cabins. [LB874]

SENATOR WIGHTMAN: Thank you. [LB874]

SENATOR HARMS: Thank you, Senator Wightman. Do we have any other questions? Senator Bolz. [LB874]

SENATOR BOLZ: Two questions, if I can. First, can you just tell me how many parks are revenue generating? [LB874]

JIM DOUGLAS: About half a dozen. [LB874]

SENATOR BOLZ: Out of 79? [LB874]

JIM DOUGLAS: Uh-huh. [LB874]

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SENATOR BOLZ: Okay. Okay. And my second question is sort of a follow-up question, what I've asked previously. I'm not sure I'm clear on your process for how you choose which projects to move forward with and when and how. So can you help me figure out how this project, which includes both updating and doing deferred maintenance and building new, how would that fall on your priority list and how would you make decisions about that? [LB874]

JIM DOUGLAS: Well, our park system, of course, is, you know, 140,000 acres of installations across the whole state, so as we first run them through the sieve of whether we would be meeting a mandate that needs to be met, either environmental mandate or an ADA mandate, we then look at what we have...where that leaves us across the whole state for the installations in the whole state. You know, we have to maintain the systems across the whole state, so we would...we would do some activity in all parts of the state and we have needs in all parts of the state. But in certain regions of the state, some things would rise to the top. I believe that Ponca would rise towards the top because it would become a revenue generator with this investment. So I think that would be something we'd have to strongly consider because it would help us meet the needs in other places. [LB874]

SENATOR BOLZ: Do you have a strategic plan that lays those ideas out or is it more catch (inaudible)? [LB874]

JIM DOUGLAS: We have a strategic plan for the parks, but the planning process that I alluded to a moment ago is one where we've done more in-depth analysis recently than we had before. So we would use that analysis as part of our decision making. [LB874]

SENATOR BOLZ: Okay. Thank you. [LB874]

SENATOR HARMS: Thank you, Senator Bolz. Do we have any other questions? Thank you, Mr. Douglas, for your testimony. Do we have any other proponents? [LB874]

JIM DOUGLAS: Thank you very much. [LB874]

SENATOR HARMS: You're welcome. Thank you very much. Welcome. [LB874]

ANDY POLLOCK: Thank you again, Senator Harms. For the record, my name is Andy Pollock, A-n-d-y, Pollock is P-o-l-l-o-c-k. I am here as a registered lobbyist for the Nebraska Travel Association. We support LB874 and we thank Senator Larson for introducing it and Senator Lathrop for, as we heard Senator Larson say, volunteering to sign on to the bill. I come before you on behalf of an organization that represents interests from across the state, as I said earlier, but we also think it's important to focus on particular needs for particular areas of the state, and state parks like Ponca in particular. Last year we supported a transfer, a proposed transfer or a bill to authorize a

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transfer of part of the Cowboy Trail from Game and Parks to the local subdivisions in the Panhandle. I think it's clear that Game and Parks does a good job strategically planning and figuring out where to allocate resources. And we believe this is a wise decision on the Parks' part and Senator Larson's part and worthy of the appropriation that's been requested. I've been a personal visitor with a couple of our four kids to Ponca State Park. We camped there a few years ago. I'd encourage all of you to go. There's a wonderful, wonderful view of the Missouri River. There's an oak tree there that is estimated to be 370 years old. It's a gem in Nebraska. With that, I'd conclude. [LB874]

SENATOR HARMS: Thank you, Mr. Pollock. Do we have any questions, please? Seeing none, thank you for your testimony. Do we have any other proponents for LB874? Seeing none, do we have any opponents for LB874? Seeing none, do we have anyone who would like to testify in a neutral capacity? Senator Larson, would you like to close? [LB874]

SENATOR LARSON: Thank you, members, and I'll be short, following up on Mr. Douglas. As I think Senator Bolz had a great point, there's only about a half a dozen revenue-generating parks in the state. And Ponca is on the verge of being a revenue-generating park. And I think we, as a body, have to be very cognizant of that in the sense of once it's revenue-generating, not only is it paying for itself, it's helping support the rest of the park system as a whole. And I think that's very important, especially when we're looking at \$44 million worth of deferred maintenance. And if we can get to that point, you know, that will help it not only sustain itself but the entire system. As Director Douglas commented, these projects--and I think Senator Bolz has talked a lot about, you know, the priority list--these projects are, because Ponca is on the verge of being a revenue-generating park, are going to be some of the projects that rise to the top anyway as we start to fund that deferred maintenance. And I think, as I said to Senator Nelson's question, I wanted to be as transparent as possible. But what LB874 does, and I talked about it in LB873, is it frees up money to fund up the rest of that park system, whether that be in, you know, Chadron State Park or projects in Mahoney, Platte River. I'm not sure if Wildcat Hills is considered a state recreation area. You know, it funds up money for the system as a whole and I think that was very important. Like I said, I could have brought LB873, all of it together for \$17.5 million, but I wanted to bring specific light onto Ponca in my effort to be transparent and let these projects rise, because we have to fund those that are on the verge of revenue generating to make sure the whole system survives. [LB874]

SENATOR HARMS: Thank you, Senator Larson. Do we have any questions for Senator Larson? Seeing none, thank you. [LB874]

SENATOR LARSON: Thank you. [LB874]

SENATOR HARMS: This closes officially then LB874. We now open for LB1033.

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Senator Watermeier, welcome. [LB874]

SENATOR WATERMEIER: Good afternoon. Good afternoon, Vice Chairman Harms and members of the Appropriations Committee. I'm Senator Dan Watermeier, spelled W-a-t-e-r-m-e-i-e-r, representing District 1 in the southeast corner of the state. I'm here today to introduce LB1033, which seeks to appropriate \$2,107,000 from the General Fund for fiscal year 2014 and '15 to the Game and Parks Commission for projects at Arbor Lodge State Historical Park. The funds are to be used for deferred repairs and maintenance; improvements at the mansion, carriage house, and grounds; and to deal with ADA compliance issues. LB1033 also contains intent language directing the Game and Parks Commission to negotiate a contract to transfer the annual operations and maintenance at Arbor Lodge State Historical Park from the state to a local partner. Only \$317,000 of the funds appropriated could be expended prior to the contract being in place. The Friends of Arbor Lodge Foundation has taken a lead role in facilitating the community partnership that will take on the operation and maintenance at Arbor Lodge State Historical Park. They are working with other local and state entities, including the city of Nebraska City, Nebraska City Tourism and Commerce, the Arbor Day Foundation, and the Nebraska State Historical Society. The \$317,000 represents the amount of existing needs identified by the Game and Parks Commission for Arbor Lodge State Historical Park on their deferred maintenance list. The \$2.1 million appropriation is the amount that the local partnership feels is necessary to make the transfer feasible. It was recently reported that the state experiences an annual loss at Arbor Lodge of \$240,000 based on a five-year average. I'm supportive of this \$2.1 million appropriations if the transfer of operations and maintenance becomes a reality. Last year, the Game and Parks Commission announced deferred maintenance needs of \$31 million and ADA updates of \$13 million, which resulted in the temporary closure of 24 state recreation areas and 5 state historical parks, including Arbor Day Lodge...Arbor Lodge, excuse me. When the temporary closures were announced, Nebraska City representatives were one of the first to begin negotiations with the Game and Parks Commission to provide local funding to reopen the facility for the annual Living History Days and the Enchanted Forest Trick-or-Treat event. Arbor Lodge is too important to the residents of our state, as well as Nebraska City, to have...repeat this process in future years. Consequently, representatives of Nebraska City approached me with this innovative idea. Considering the shortage of funding experienced by the Game and Parks Commission, I believe the state needs to continue to divest of some property, thereby freeing them of future obligations and allowing them to better focus on the remaining property. Furthermore, local responsibility for the park will allow for more innovation and more utilization of the facility, which, in turn, could make it more profitable. I commend the local entities for taking on this responsibility with the intent of improving and enhancing the property and grounds. I feel that the stars have all aligned for this project. How often do you have a state foundation with the same name as our state historical park willing to invest in such a project? Furthermore, Nebraska is the home of Arbor Day, a holiday now celebrated in every state. With the significant history

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behind the Arbor Lodge State Historical Park, we must make sure that it is well maintained in future years. In the hands of a very able community partnership, I think it will prove to be a successful solution to the current situation. I could go on about the significance of Arbor Day and Arbor Lodge to our state, but there are others in the room today that are here to testify. I ask for your favorable consideration of LB1033 and would be happy to answer any questions if I can. [LB1033]

SENATOR HARMS: Thank you, Senator Watermeier. Do we have any questions for Senator Watermeier? Before you leave, I...oh, Senator Larson. [LB1033]

SENATOR LARSON: And just so...for the record, a quick question. What you're offering essentially is the state invests \$2.1 million and then with the intent language that the Game and Parks enter into a long-term contract with the Arbor Day Lodge to save all the ongoing maintenance costs that have been...that right now the Game and Parks Commission has to pick up with Arbor Day Lodge. It's the intent that the nonprofit foundation will take over all of those costs associated with the lodge if we can invest in this money to bring it up to date and move forward, correct, saving the state significant amounts of money. [LB1033]

SENATOR WATERMEIER: Yeah. It's going to be pay now so we can avoid in the future. But I don't want to name the exact organization that's going to have a lead role in it. [LB1033]

SENATOR LARSON: Uh-huh. [LB1033]

SENATOR WATERMEIER: It's going to be a cooperative arrangement of a local agreement. But, yes, the idea is if we could get these projects done, it would alleviate a local...our future responsibilities. [LB1033]

SENATOR LARSON: For a significant amount of time possibly. [LB1033]

SENATOR WATERMEIER: We think that it will be a short period, and that will be discussed behind me. But the proposal is going to be that get it up to speed and then a very long-term lease looked at for the future. [LB1033]

SENATOR LARSON: Saving the state and possibly further deferred maintenance costing a number of other projects throughout the state and for any money for other infrastructure needs for Game and Parks possibly. [LB1033]

SENATOR WATERMEIER: Yes. Yes. I mean this is a different situation than Ponca, but why I would like to, you know, explain it like this is that the deferred maintenance is just barely keeping up with what's going on, and it prevents the facility from being fully utilized. And with a local partner with the passion that these four or five organizations

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are going to have, we think are going to take it further into the future than what could ever be done with it today. [LB1033]

SENATOR LARSON: Thank you, Senator Watermeier. That's... [LB1033]

SENATOR HARMS: Thank you, Senator. [LB1033]

SENATOR LARSON: I just wanted to make sure that was brought to light in terms of what we were working to do. [LB1033]

SENATOR WATERMEIER: Thank you. I may not have mentioned... [LB1033]

SENATOR HARMS: Thank you, Senator Larson. Do we have any other questions that you have for Senator Watermeier? Senator Nelson. [LB1033]

SENATOR NELSON: Thank you, Senator Harms. Thank you, Senator Watermeier for coming. Been a while since I've visited Arbor Lodge. Did we pay fees at that time to get in to see Arbor Lodge? [LB1033]

SENATOR WATERMEIER: Yes, it's part of the state park system,... [LB1033]

SENATOR NELSON: Okay. [LB1033]

SENATOR WATERMEIER: ...so you have to pay a fee to go in. [LB1033]

SENATOR NELSON: And has it been self-sustaining or have...has it been operated at a loss? Do you know? [LB1033]

SENATOR WATERMEIER: It's at a loss, about \$240,000 a year. [LB1033]

SENATOR NELSON: So this partner, the community group, may be a nonprofit corporation that would be operate it? Is that the idea? [LB1033]

SENATOR WATERMEIER: Is the idea to...? [LB1033]

SENATOR NELSON: Yeah. I...it's not finished yet or anything. It's just in the conceptual stage. [LB1033]

SENATOR WATERMEIER: Yes. [LB1033]

SENATOR NELSON: Okay. [LB1033]

SENATOR WATERMEIER: Yeah. [LB1033]

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SENATOR NELSON: So there's no contract or anything... [LB1033]

SENATOR WATERMEIER: No. [LB1033]

SENATOR NELSON: ...with anybody. [LB1033]

SENATOR WATERMEIER: No. And like I stated in the opening here, what this is going to do is appropriate a certain amount of money for some of the things that would have been done anyway on a two- and four- and ten-year program, as far as maintenance. If those things get done, that will allow them time to get this contract into place, which is going to be somewhat complicated. It's a little bit out of the ordinary. [LB1033]

SENATOR NELSON: All right. [LB1033]

SENATOR WATERMEIER: It's been done before but it will be an extraordinary event if we get this pulled off. But there's people behind me that are going to explain that, I think, in a little bit more detail than what I can. [LB1033]

SENATOR NELSON: But if they...if this group does get together, it's not going to be a for-profit type of thing. It would be a nonprofit? Is that your...? [LB1033]

SENATOR WATERMEIER: That's my understanding, yes. [LB1033]

SENATOR NELSON: Yeah. Okay. And if there were losses in the operation, they sustain that. And do they do the ongoing maintenance and things? [LB1033]

SENATOR WATERMEIER: Yes. [LB1033]

SENATOR NELSON: Yeah. [LB1033]

SENATOR WATERMEIER: If they get it...if we invest today to get this up to speed to do a little bit more than what just the deferred maintenance is, we can get this up to speed so that they can sort of not take title to it but take ownership of it, take responsibility for it, they think that at that point in time they can maintain it at their expense. And then the responsibility is on them to make sure that it generates the revenue that they need. [LB1033]

SENATOR NELSON: Is Arbor Lodge owned by the foundation or by the state of Nebraska? [LB1033]

SENATOR WATERMEIER: By the state of Nebraska. It was deeded to them by the Sterling Morton family. [LB1033]

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SENATOR NELSON: So if this group couldn't manage it, if it just didn't pan out for them, then it would revert to the state of Nebraska? [LB1033]

SENATOR WATERMEIER: Well, that's where it's at now. And I think that's going to be the key to the contract, is they... [LB1033]

SENATOR NELSON: Okay. [LB1033]

SENATOR WATERMEIER: ...that this is going to get it to the point where they've looked at it and they've got a business plan, and I'll let the foundations behind me talk about that. But they're willing to roll the dice that this is something that they can manage on a, you know, forever basis. [LB1033]

SENATOR NELSON: Okay. Thank you. [LB1033]

SENATOR WATERMEIER: Uh-huh. [LB1033]

SENATOR HARMS: (Exhibits 2 and 3) Thank you, Senator Nelson. Do we have any other questions for Senator Watermeier? Senator Watermeier, we do have two letters of support: one from Dr. Mark Pinkerton, who's a commissioner;... [LB1033]

SENATOR WATERMEIER: Yes. [LB1033]

SENATOR HARMS: ...and then we have one from the Nebraska Tourism Commission. Thank you for your testimony. [LB1033]

SENATOR WATERMEIER: Yeah. I'm going to stick around. [LB1033]

SENATOR HARMS: Okay. [LB1033]

SENATOR WATERMEIER: I'll be here. [LB1033]

SENATOR HARMS: Would you like to close? [LB1033]

SENATOR WATERMEIER: I'll be here to close. [LB1033]

SENATOR HARMS: Okay. Thank you. Do we have any other individuals who are proponents of LB1033? [LB1033]

JIM DOUGLAS: Thank you again, Mr. Chairman, members of the committee. My name, for the record, is Jim Douglas, J-i-m D-o-u-g-l-a-s. I'm the director of the Nebraska Game and Parks Commission and I'm here to testify in support of LB1033. Recently,

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when the Nebraska Game and Parks Commission did temporary closures of 22 state recreation areas and historical parks across the state, in many instances local communities or individuals stepped up to talk to us about how we could partner together to maybe help the situation so that the areas could be reopened sooner, that work could be done. And I would say unequivocally that Nebraska City, in the case of Arbor Lodge, stepped up immediately and in great numbers, representing different entities of the local community, to talk to us in a very positive and forward-thinking way about what we can do to preserve the future of Arbor Lodge State Historical Park. It certainly is one of our greatest treasures. And I think that there are a unique set of circumstances in that vicinity with the attitude and the will and the foresight that the city of Nebraska City has, the Arbor Day Foundation, Friends of Arbor Lodge, and many other entities. There are other facilities that sort of could work in synergy and in concert with Arbor Lodge State Historical Park, and because of that potential synergy, we have had preliminary discussions with many community leaders in that region about a public-private partnership of the type that Senator Watermeier described. So I would just say that we're in support of this conceptually and we would urge your consideration. [LB1033]

SENATOR HARMS: Well, thank you, Mr. Douglas. Do we have any questions for Mr. Douglas? Senator Wightman. [LB1033]

SENATOR WIGHTMAN: Thank you. Director Douglas, thank you for being here. Are there residential cabins of any kind around that, that are owned by the state around the... [LB1033]

JIM DOUGLAS: There are not, Senator. [LB1033]

SENATOR WIGHTMAN: There are not. Okay. How many, you said five state parks earlier that probably had residential... [LB1033]

JIM DOUGLAS: Yes. [LB1033]

SENATOR WIGHTMAN: ...cabins? Thank you. [LB1033]

SENATOR HARMS: Thank you, Senator Wightman. Do we have any other questions for Mr. Douglas? [LB1033]

JIM DOUGLAS: Thank you. [LB1033]

SENATOR HARMS: Seeing none, thank you very much. [LB1033]

JIM DOUGLAS: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? Welcome. [LB1033]

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TAMMY PARTSCH: (Exhibits 4 and 5) Hello. Hi. My name is Tammy Partsch, T-a-m-m-y P-a-r-t-s-c-h, and I am the president of the Friends of Arbor Lodge Foundation in Nebraska City. There are a couple of handouts coming around. One is a copy of my testimony that I'll speak today, and the other one is a letter from a lady named Jean Palmer from San Francisco. She's the great-granddaughter of J. Sterling Morton and a huge supporter of our foundation. The Friends of Arbor Lodge Foundation was formed in 2001 in response to a series of budget cuts imposed on Arbor Lodge. Our mission as a foundation was and remains to be to help to protect the integrity of Arbor Lodge State Historical Park. Last August, when the Game and Parks announced its intent to close Arbor Lodge immediately following Apple Jack, our foundation, working with the city and the Tourism office and Economic Development and the Arbor Day Foundation, really the whole bunch of people you see behind me, we worked quickly to reach an agreement with the Game and Parks to keep Arbor Lodge open for our four Sundays of living history. That cooperative effort led to cementing friendships and laying the foundation for the partnership that is before you today. The \$2.107 million will enable us to tackle a number of projects at Arbor Lodge, both inside the mansion and carriage house and throughout the property. Many of these projects are deferred maintenance issues that need to be addressed immediately. Some projects are simple ones that just need a little funding, and some are proposed with an eye toward the future and how Arbor Lodge can be utilized to its full potential. We know that what we're proposing is a major shift in how things have been done for nearly 100 years, but we believe that by working together we can bring Arbor Lodge back to the stately property that J. Sterling Morton envisioned it to be. Our local foundation will be able to focus solely on Arbor Lodge. It is our main priority. It is our only priority. And we all truly have the best interests of Arbor Lodge at heart. Thank you. [LB1033]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Senator Bolz. [LB1033]

SENATOR BOLZ: Thanks for coming today. I'm curious. You say that some of the projects are simple ones that just need a little funding, and some are proposed with an eye towards the future. Can you tell me about the projects that are proposed with an eye towards the future? [LB1033]

TAMMY PARTSCH: Absolutely. We have a fabulous area of lilac trees that are in a separate...it was an addition to the park within the recent decade, I think. We would love to put a shelter there with electrical outlets to utilize that space more fully. It has a nice walking path now, but if people come to Arbor Lodge for events, gatherings, they want a shelter, they want electricity, they want a grill thing. So we would love to build a new shelter there. Simple things like bike racks, we have a ton of people that ride their bikes throughout the park and we don't have bike racks. I mean that's just...it seems like a simple thing but it really adds to what people get when they go to the park. [LB1033]

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SENATOR BOLZ: Thank you. [LB1033]

TAMMY PARTSCH: So just a couple of options there. [LB1033]

SENATOR BOLZ: Appreciate it. Thanks. [LB1033]

SENATOR HARMS: Thank you, Senator Bolz. Do we have any other questions?
Tammy, thank you for your testimony. [LB1033]

TAMMY PARTSCH: Thank you. [LB1033]

SENATOR HARMS: We appreciate it. Do we have any other people here that would like
to speak on behalf of LB874...or, excuse me, LB1033? [LB1033]

DOUG FARRAR: Senator Harms and esteemed Senators, thank you for this... [LB1033]

SENATOR HARMS: Welcome. [LB1033]

DOUG FARRAR: ...opportunity. My name is Doug Farrar, D-o-u-g F-a-r-r-a-r. I'm here speaking as vice president of the Arbor Day Foundation. You might imagine that this place would have a special significance to us, since Arbor Day was started with J. Sterling Morton on this particular property, and you can understand the alignment this might have with our mission in tree planting and what that will mean around the world. You've heard some discussion about how this will work as a community, and Tammy touched on it. You'll get some other conversations from my esteemed colleagues. A couple other things I would mention. As we got together, we saw there are maybe five principles we need to have to make this thing work and sustainable. I want to be very clear this is different than the other bills that have come. As Senator Larson asked, this is a one-time ask. At that point, what we believe is, over a short period of time, would eliminate the ongoing support that the state has had to have, and that will not...no longer be needed for the state. This will operate as a sustainable entity without funds from the state, okay? I want to be very clear about that, because that's a differentiating part between this and the other bills. We thought there were about five things. We needed a funding source to get it up and so it can operate fully, deferred maintenance, as well as the ability to really do things well. We need a sustainable funding source. We're working on building an endowment for \$10 million that will help with that sustainability over time, and we think in five years we'll be able to have that certainly along the way. We think we need an advocates group, which you had Tammy up here from the Friends of Arbor Lodge, who have been well-established, well-thought-of, and will be able to help on local-national fund-raising as well. The fourth is just really an experienced operator who knows how to do this kind of thing and understand how to operate this kind of thing in the region. And five is a great collaboration with the State

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Historical Society, because of the historical nature of this property, in how it can be used and how you take care of the artifacts and that kind of thing. So let me talk to you why I would be talking to you from the Arbor Day Foundation. A quick note of history, in 1972 we bought the 260 acres that are adjacent, the original working farm of J. Sterling Morton, all except this, I think it's, 72 acres now that is part of the state park. We have been operating that and developing it. Some of you have maybe stayed at Lied Lodge. Some of you maybe have been to the apple barn to get apples. Some of you maybe have walked the trails with the tree adventure. We have growing operations. We have about 75 businesses operating within that vein as a nonprofit to support what we do. The bottom line is there's an alignment to our mission to this property. And as we see it deteriorate, when the call came out in October that Arbor Lodge was closing, we got calls at Lied Lodge saying, are you still going to be open for my wedding? You can understand the brand alignment and the mixing of those that happens. Even here in this group, it's hard to remember Arbor Lodge, Lied Lodge, those kind of things, they get mixed up, and that's important for us. We think there's a continuity of having that. So if we look at kind of operational capacity, I might talk about the role that we could play. Any of you who have ever planned an event, a business meeting, a wedding, understand what it means to really have an event go well, right? All the detail it takes, the food and beverage that it takes, the setup that it takes, the property that it takes, the sales that it takes, the marketing it takes to get those things put in place, we have that already in place in our organization. We've been doing that as Lied Lodge and as Arbor Day Farm for nearly 20 years or better. We have marketing groups, we have Web sites, we have all of the parts and pieces that make an operation like this work, we're already doing. We have a tourist group that brings thousands and thousands of tour groups already there, children, as adults, and those kind of things. We're excited about the historical part. We could work with the State Historical Society on new things. So we think there's...those things are in place, would allow us to do this without bringing a lot of infrastructure, new infrastructure, and that's what allows us to begin to look at this \$240,000, if you would, minus number and say how do we find efficiencies and how do we drive revenue? So let me...two other things. The other is a history of success in the region because we've done this. We've worked with the State Historical Society. The historic barns which are there, which we'll probably hold 50 weddings in this year, were a dilapidated original part. We worked with the Historical Society to rebuild those and it's a good use of property. If I can say in conclusion just two things, remember the uniqueness of this bill. This is a one and done. We believe over a three- to five-year plan, we can put this operating agreement together with the other people here who are going to handle those things and have this operating to the gem that it should be. We believe it's not only a regional, national, but international treasure. Tree planting is one of the biggest things. And I would close with a quote of Margaret Mead: Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, they can. We invite you to be a part of that committed group. We are committed in Nebraska City. We invite your funding on this to make this so it's whole and so it can operate into the future. We could all be proud of this. It is one of the first places people come to the

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state because of I-29 and the corridor. We bring people from all over the nation to Lied Lodge and Conference Center. It is a jewel, and what we can do with events and activities at this property will manifest itself many times over from tourism and the impression of our state. I'm open for questions, so. [LB1033]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, again, thank you very much. [LB1033]

DOUG FARRAR: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? [LB1033]

DOUG FRIEDLI: Thank you, Senator Harms and members of the committee. My name is Doug Friedli, D-o-u-g F-r-i-e-d-l-i. I'm the chairman of the Nebraska City Community Foundation Fund. I support LB1033 and we're one of the partners that Mr. Farrar talked about with the Friends of Arbor Lodge. If we think about it, Arbor Lodge has pillars that hold up the roof and there are a number of pillars that need to take place and they all need to stand together to have this plan be successful. One of those main pillars is building a \$10 million endowment, an endowment that will sustain this facility into perpetuity that will provide the income not only for the operation of subsidy, if needed, but especially for the maintenance, the maintenance items that you've heard today have been so neglected. We are excited about helping to develop a national campaign to raise this endowment to save Arbor Lodge. We feel there are numerous, hundreds and thousands and maybe millions of people across the nation that will help support this place that they love. Potential donors would be those who love trees; those who love the environment; people who want to protect and preserve this nationally known, historic treasure; people who are interested in providing hands-on educational opportunities for children that visit the park; and others that are near and far that are friends and who are committed to the stewardship of this property. As you've heard, there's additional pillars and you'll hear some more of those later. But one of the key pillars, another pillar, is this bill, because without the \$2.1 million to bring it up to standards, the plan will not work. So we need all the pillars to work together. With a host of partners and the sufficient endowment, the Friends of Arbor Lodge will be able to accept the financial responsibility and operate and maintain this historic property and, thereby, as was said, will save the state annual expenditures. So we ask for your support of LB1033 so that the maintenance items can be addressed and the irreparable damage that's already being done to the building and the trees, don't forget the historic trees, will be able to be brought back up to speed. This will help alleviate potential liabilities for the state and the Game and Parks, and will make this property totally accessible year-round to the public. Thank you. [LB1033]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, again, thank you very much for testifying. [LB1033]

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DOUG FRIEDLI: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? [LB1033]

STEPHANIE SHRADER: Good afternoon, Senators. [LB1033]

SENATOR HARMS: Welcome. [LB1033]

STEPHANIE SHRADER: (Exhibit 6) Thank you. My name is Stephanie Shrader, S-t-e-p-h-a-n-i-e, Shrader, S-h-r-a-d-e-r, and I'm here to speak on support of LB1033. While Nebraska City and Otoe County have a great story to tell about being the home of Arbor Day, the home of the first Nebraskan to be Secretary of Agriculture under Grover Cleveland, and the guy with the crazy idea of planting trees on a barren prairie, we recognize that you've seen that we have passionate people. But you're interested in the facts, so I've brought a few facts to share with you today. Arbor Lodge, the home of J. Sterling Morton, founder of the national Arbor Day, is an international draw for visitors for both the state and for Nebraska City. The statistics show that over \$20 million was spent in 2012 in just Otoe County. These are by visitors to our area. This translates to over \$1.2 million in tax revenues for the state of Nebraska in just 2012. And from 2003 to 2012, the state collected \$11.3 million in tax revenues directly related to tourism in just Otoe County. Over 360 jobs are directly related to tourism in Otoe County, and this does not include the job multiplier for those related jobs. And from 2007 to 2013, the state of Nebraska collected approximately \$6 million in state tax revenues from just Nebraska City. And Nebraska City was able to use a small portion of our sales tax receipts to fund our LB840 program. This has been a very successful program that's helped over 11 businesses in just Nebraska City, and these benefits have directly increased their property tax base values by 113 percent since receiving the LB840 funds, and a benefit for not only the state of Nebraska but to Otoe County and Nebraska City. And this is a wonderful development tool that is a direct benefit because of visitors coming to visit Nebraska City. In Nebraska City, tourism isn't just about visitors coming to our region. It's a catalyst for economic development throughout our community. For...as a person, like myself, growing up in Scotts Bluff County where we thought of trees only being cottonwoods and elms along the river, learning about the vision of J. Sterling Morton and seeing the impact that he's had on Nebraska instills a deeper appreciation for a man who was a catalyst for not just planting trees on this barren prairie but I would think that J. Sterling Morton would be proud to know that he continues to have a vital part in the economic vitality of not only Nebraska but Nebraska City and our region. So in conclusion, please help us continue that legacy of being a positive economic impact to the state by funding the needed repairs to maintain the integrity of Arbor Lodge as well as transfer the oversight to Friends of Arbor Lodge who have a passion and a desire to see that Arbor Lodge is at its best. Thank you. [LB1033]

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SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, again, thank you very much. Do we have any other proponents? [LB1033]

ANDY POLLOCK: Senator Harms and members of the Appropriations Committee, again, my name is Andy Pollock, represent the Nebraska Travel Association as a registered lobbyist. I'll make my comments very brief. We support LB1033. We thank Senator Watermeier and Senator Kintner for bringing it to your attention. As a recent visitor for a wedding, family wedding at Arbor Lodge, it is a treasure, as Mr. Farrar so said. I'd be glad to answer any questions you might have. [LB1033]

SENATOR HARMS: Thank you, Mr. Pollock. Do we have any questions? Thank you very much. [LB1033]

ANDY POLLOCK: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? Welcome. [LB1033]

TIM PENDRELL: Thank you, Senators. I'm Tim Pendrell, T-i-m P-e-n-d-r-e-l-l. I am director of Nebraska City Tourism and Commerce. Kind of wanted to echo what you already heard. Basically, we know the impact Arbor Lodge has when it closed down. We were getting calls asking if Apple Jack was cancelled, asking if a series of events had been cancelled. And echoing what Doug was talking about earlier with pillars, what we're planning doing, as the local chamber, is really, when this gets together, really beefing up our advertising and talking about how Arbor Lodge and the impact it plays on the community. It draws a lot of visitors into our community and a lot of economic development dollars into our community, and it's also a very good center of just everything about what we've been doing for 160 years now. I ask for your support. I do think as a community we really have a good plan. We could take this off the books for the state for a long period of time, which will help with the ongoing maintenance issues. But I also think we know the facility. We know the facility very well. We know the history. We know the story. And the best place for it would be in the folks in Nebraska City. We know how to put that thing together and we know how to get more visitors. And we think we could really make it a gem for not just our community but really for the state. [LB1033]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Senator Kintner. [LB1033]

SENATOR KINTNER: Hey, Tim, thanks for coming down. [LB1033]

TIM PENDRELL: No problem. [LB1033]

SENATOR KINTNER: To use the words of our President, you're going to have some

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skin in the game now since you all are going to be taking care of it. So talk about the promotion. Now it's your baby. It's going to be yours now. [LB1033]

TIM PENDRELL: Uh-huh. [LB1033]

SENATOR KINTNER: You're going to be running it. Talk about the promotion, how you're going to try to up the promotion, what you're going to do different than what's being done now. [LB1033]

TIM PENDRELL: Well, I could tell you already, since this started, we have been working on new advertising, working on specifically different groups that we've seen coming down to Nebraska City and increasing those numbers. We are working on a new Web site, tourism-based Web site, new print ads, Web advertising, and we've already committed over \$55,000 right now. And since this started with Arbor Lodge, a big piece of what we're doing is going to focus on building a new Web site to tell the history of the story of Arbor Lodge. So it's already drastically changed our budget and how we're operating. And we would like to see this move forward, because we know, with that type of investment that we're making, it hurts to spend that much and then not know if the park is going to be open when you need it to be open, not know what hours it's going to do. Knowing it's...when it's going to be open, what we're going to be able to do with it is really going to make it a lot easier for us to move forward and make those kinds of investments. [LB1033]

SENATOR KINTNER: Great. Thank you. [LB1033]

SENATOR HARMS: Thank you, Senator Kintner. Do we have any other questions? Yes, Senator Nelson. [LB1033]

SENATOR NELSON: Thank you. Thank you. You're with the Chamber of Commerce? [LB1033]

TIM PENDRELL: Yes. [LB1033]

SENATOR NELSON: Okay. Just a few questions about Nebraska City. What's the current population now? [LB1033]

TIM PENDRELL: It's a little over 7,200 right in the city limits. And then from--we just had a study done--within ten miles of my office there is a little over 9,600 people. [LB1033]

SENATOR NELSON: Okay. [LB1033]

TIM PENDRELL: And we draw a lot of people from...as far as tourism goes, we're drawing a lot of people from Omaha and Lincoln. [LB1033]

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SENATOR NELSON: People that come from a farther distance, are there bed and breakfasts in Nebraska City? [LB1033]

TIM PENDRELL: We have had more. We currently have one very...bed and breakfast doing very well, and then we, of course, have the Lied Lodge,... [LB1033]

SENATOR NELSON: Uh-huh. [LB1033]

TIM PENDRELL: ...and a couple more hotels. I believe... [LB1033]

SENATOR NELSON: Uh-huh. [LB1033]

TIM PENDRELL: ...the numbers of overnight stays in the community is over 60,000, a little bit more than that. But it's steadily growing and it's going to continue to grow. [LB1033]

SENATOR NELSON: Uh-huh. Same type of visitors would use Lied Lodge as well for overnight? I'm sure you've got other motels and things like that in the city,... [LB1033]

TIM PENDRELL: Yeah. [LB1033]

SENATOR NELSON: ...but that all contributes to the tax revenue. [LB1033]

TIM PENDRELL: Absolutely. There's a lot of overnight stays and we really think, especially with the park, that there's the opportunity to draw more overnight stays, just putting in more opportunities. With the Arbor Day Foundation being part of this as well, it puts their operation and their strengths into looking at the park in other ways we can work with it. But I would expect that in a couple years we will have more bed and breakfasts. And I know right now we're drawing visitors from around the world, and that's without everything we're talking about doing in massively increasing our advertising. So it's...we see this as being an international destination and really saying where the beginning of Arbor Day began, and it was right here and that's what we're talking about. [LB1033]

SENATOR NELSON: Thank you. [LB1033]

SENATOR HARMS: Thank you, Senator Nelson. Do we have any other questions? Tim, thank you very much for your testimony. [LB1033]

TIM PENDRELL: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? Welcome. [LB1033]

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LUCILLE SHARP: (Exhibit 7) Thank you. Good afternoon, Senators. I am Lucille Sharp, L-u-c-i-l-l-e S-h-a-r-p, a retired teacher and educator from Nebraska City. I am a proponent of LB1033. J. Sterling Morton and his vision for agriculture and the need for trees is an integral part of the rich history of Nebraska. In 1872, he proposed a tree-planting day that resulted in over a million trees being planted in the state that year. Now every state in the Union celebrates Arbor Day, along with many countries throughout the world. This vision that began here in Nebraska is as vital to our existence today as it was then. Not only is Arbor Lodge State Historical Park a popular tourist destination, but it has served as a classroom for many throughout the years. Arbor Lodge State Park staff have invited children to participate in their annual Arbor Day ceremonies for over 30 years. It was a privilege to sit on the grass with my students and watch the many programs that were provided. At the end, the students received a sapling which they could plant with their families. I have several mature trees in my yard today as the result of my own children participating in these programs. As an educator, I had the opportunity to incorporate Arbor Lodge State Historical Park history into the classroom by taking children to the park for science scavenger hunts, which led to follow-up research and interesting discussion. These hands-on learning experiences allowed students to grow and develop a greater understanding of agriculture, horticulture, and the history of our great state. LB1033 would allow Arbor Lodge State Historical Park to continue as an outdoor classroom, a source of natural beauty, and a place of inspiration. In this time of fiscal responsibility, this is not only an investment in saving an historic landmark but an investment in our future. As a sixth-generation Nebraskan and the current Arbor Day honoree, I ask you for your support of LB1033. [LB1033]

SENATOR HARMS: Lucille, thank you for your testimony. Do we have any questions? Seeing none, again, thank you very much. Do we have any other proponents? Welcome. [LB1033]

JACK HOBBIE: Good afternoon. I'm Jack Hobbie, J-a-c-k H-o-b-b-i-e. I'm mayor of Nebraska City. I think from the testimony that was given to you today, you can see that Nebraska City is very passionate about accepting local control for the operation and maintenance of Arbor Lodge, and I want to thank Senators Watermeier and Kintner for introducing this bill. Arbor Day has been celebrated for over 141 years and it has never become outdated. Today, maybe more than ever, represents going green, ecological conservation, energy efficiency. Arbor Day is celebrated throughout the world. It receives national and worldwide attention through the efforts of the Arbor Day Foundation located here in Nebraska. You enter Nebraska's borders and what do you see? You see a sign welcoming you to Nebraska, home of Arbor Day. When you investigate Arbor Day's history, you see the iconic image of Arbor Lodge and its surrounding grounds where J. Sterling Morton, the founder of Arbor Day, lived and worked. It showcases 72 acres and 270 varieties of trees, while identifying Nebraska

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and Nebraska City as the home and birthplace of the worldwide Arbor Day holiday. While I wish to commend the Nebraska Game and Parks Commission for their management of the park, the mansion, carriage house, and grounds have suffered from budget constraints. As mayor of Nebraska City, I'm all too familiar with the topic of budget constraints and deferred maintenance, but it is those budget cuts and deferred maintenance of Arbor Lodge and its grounds that bring Nebraskans before you today. I could stand before you and talk about the positive fiscal impact that visitors to Arbor Lodge State Park bring to Nebraska and to Nebraska City, but Arbor Lodge and the ground represents a much bigger picture. Arbor Lodge State Park is the birthplace of a federal holiday celebrated nationally as well as worldwide. The fiscal wealth and goodwill towards Nebraska gleaned from this worldwide recognition was all created by Nebraskan J. Sterling Morton. The very feat may never be surpassed again, and needs to be remembered for the ages and its birthplace maintained for the ages. With the state's help, we believe we can preserve Nebraska's state treasure without continuing to tap the state's budgets. We believe what we propose could become a model for other communities. We are asking the state to budget for and make deferred repairs to Arbor Lodge State Park. In exchange, the Nebraska Game and Parks Commission would transfer operating responsibilities of the park, inclusive of the mansion, the carriage house, and the grounds, to a local-controlled group. This local group would then take over the costs of operation and management going forward. By doing this, we propose to save the state approximately \$250,000 annually, plus the additional costs of ongoing maintenance. How do we propose to do this? I think that was explained, but as a community and state, we will join forces with the Friends of Arbor Lodge, the Arbor Day Foundation, Nebraska City Community Foundation, Otoe County, and the city of Nebraska City, its Chamber of Commerce, and Economic Development to establish an endowment to support the nonprofit Friends of Arbor Lodge organization. We have the support of several senators, state Game and Parks, Nebraska Tourism, Nebraska Historical Society, and now we ask for your support. Thank you. [LB1033]

SENATOR HARMS: Thank you for your testimony, Jack. As mayor, I would have to tell you, I've been in your community, Nebraska City. I've been in the Lodge, been in the park, and I'd have to tell you, you have the best apple pie in the world. (Laughter) I have never forgotten the apple pie. Your apples are wonderful. And you have a great opportunity to really market something that's...I think it's just a hidden gem. [LB1033]

JACK HOBBIE: Thank you. [LB1033]

SENATOR HARMS: So do we have any questions for Jack? Senator Nelson. [LB1033]

SENATOR NELSON: Thank you. I just want to be sure I understood you. It includes the Lodge and the carriage house? [LB1033]

JACK HOBBIE: Yes. [LB1033]

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SENATOR NELSON: Or did you...I thought maybe you said excluding but it was including. [LB1033]

JACK HOBBIE: No, including. [LB1033]

SENATOR NELSON: Okay. [LB1033]

JACK HOBBIE: Yes. [LB1033]

SENATOR NELSON: All right. [LB1033]

SENATOR HARMS: Thank you, Senator Nelson. Senator Kintner. [LB1033]

SENATOR KINTNER: Mr. Mayor, I just want to tell you thanks for coming down. I got to tell you, people who haven't been in Nebraska City lately are really missing something. It is a real gem in our state. There is so much going on there at all times. And I keep running into people, I look at license plates when I'm down there, they're from all over the place. So I think it adds a lot to our state and I am thrilled that it's in our state. [LB1033]

JACK HOBBIE: Thank you. [LB1033]

SENATOR KINTNER: Thank you. [LB1033]

SENATOR HARMS: Thank you, Senator Kintner. Do we have any other questions? [LB1033]

JACK HOBBIE: Thank you very much. [LB1033]

SENATOR HARMS: Thank you very much for your testimony. Do we have any other proponents? [LB1033]

PHIL BAKKEN: Good afternoon, Senators. Thank you. My name is Phil Bakken, P-h-i-l B-a-k-k-e-n, and I'm a citizen of Nebraska City, Nebraska. Thank you, Senator Kintner, for your kind words about our town. One of the reasons, when I graduated from college this past spring, that I moved down to Nebraska City was the local catalysts for change that are down there. You've heard from many of our community leaders that I look up to in our town: the mayor, the leader of our community foundation, an executive at the Arbor Day Foundation, and our Chamber of Commerce director. I feel this is a unique solution to a problem that we've heard today with the other two legislative bills that's facing our state with Game and Parks' funding. And I think that we've come together as a community with a great solution and really need your help to finish the last pillar that

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we need to make this happen. I'm proud of this group and I'd like this to be a model to serve for the other state parks, the other 79, on what we can do. There were numerous parks that were named in that December 12 Omaha World-Herald article needing help with how they operate. And I think that if we give this a couple of years to look after and we come back and really say how was that test, how did it work out, and really look back at this, you'll all be proud with the decision that you made if you choose to help this bill. Thank you. [LB1033]

SENATOR HARMS: Thank you for your testimony. Do we have any questions? Seeing none, again, thank you very much. [LB1033]

PHIL BAKKEN: Thank you. [LB1033]

SENATOR HARMS: Do we have any other proponents? Seeing none, do we have any opponents? Seeing none, do we have anybody who would like to speak in a neutral capacity? Seeing none, Senator Watermeier, would you like the pleasure of closing? [LB1033]

SENATOR WATERMEIER: Certainly. Thank you, Chairman Harms...Vice Chairman Harms and Senators of Appropriations. You know, as I sat here and listened to the testimony, I don't think it could have been lined up any better. They were very well organized and I think you'll find that they'll be just as well organized and just as passionate about putting the agreement together, about taking very good care of the funds if we invest in approving them. But I grew up in this area and I even have to pinch myself so many times and remind myself, this is not something good for Otoe County, not just good for Nebraska City or the state. Think about the international implications. The testimony in front of us said 140 or 150 years of celebrating trees. The green revolution and the things going on in our environment, we are on an upswing in this and trees are going to be a big part of that. And this ought to be exactly where we're at. If you take the emotion out of this decision and all the...and excitement behind it, and you look at what we are responsible for as state senators, then it becomes even more clear to me. We're going to reduce a future responsibility by moving this off of our books and putting it on to the person that's really passionate about it. And that's where it's really important and this is why I'm in the Legislature, to promote these kind of things. So I would really urge your support of LB1033 and answer any further questions if you might have them. [LB1033]

SENATOR HARMS: Thank you, Senator Watermeier. Do we have any questions for Senator Watermeier? Seeing none, thank you very much. [LB1033]

SENATOR WATERMEIER: Thank you. [LB1033]

SENATOR HARMS: (See also Exhibits 8 and 9) This closes our hearing for LB1033 and

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this also closes our day. Thank you very much. [LB1033]