

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Transportation and Telecommunications Committee March 7, 2023

**GEIST:** Good afternoon and welcome to the Transportation and Telecommunications Committee. My name is Senator Suzanne Geist. I represent District 25, which is the southeast corner of Lincoln and Lancaster County. We will start off by having members of the committee do self-introductions, starting on my right with Senator Moser.

**MOSER:** I am Mike Moser, District 22, it's Platte County, and most of Stanton County.

**BOSTELMAN:** Bruce Bostelman, District 23: Saunders, Butler, and Colfax Counties.

**GEIST:** Also assist-- oh, assisting us today are Mike Hybl, who is the committee counsel; Caroline Nebel, who is our committee clerk; and our pages are Delanie and Logan. Delanie is studying political science at UNL and Logan is studying international business at UNL. This afternoon we will be hearing four or five bills, five bills. And we'll be taking them up in the order listed outside the room. On the table near the entrance of the room, you will find the blue testifier sheets. If you are planning to testify today, please fill one out. Hand it to the pages when you come up. This will help us keep an accurate record of the hearing. If you do not wish to testify, but would like to record your presence at the hearing, please fill out the gold sheet on the table near the entrance. Also, I would like to note the Legislature's policy that all letters for the record must be received by the committee by noon the day prior to the hearing. Any handouts submitted by the testifiers will also be included as part of the record as exhibits. We would ask if you have any handouts that you please bring ten copies and give them to the pages when you come to speak. If you need additional copies the pages will be able to get those for you. Understand that senators may come and go during our hearing. This is common and required as they may be presenting bills in other committees. Today for each bill, we will begin with the introducer's opening statement. After the opening statement, we will hear from any supporter of the bills then from those in opposition, followed by those wishing to speak in the neutral capacity. The introducer of the bill will be given an opportunity then to make closing statements if they wish to do so. We ask you to begin your testimony by giving your first and last name and spelling them for the record. We will use a five minute light system. When you begin your testimony, the light on the table will turn green. The yellow light is your one minute warning and then the red light when it comes on, we ask you wrap up your final thoughts. I would like to remind everyone, including senators, to turn off or silence your cell phones. With

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that, I will have Senator Fredrickson and Senator Brandt introduce themselves to, to the audience.

**FREDRICKSON:** Good afternoon, I'm John Fredrickson. I represent District 20, which is in central west Omaha.

**BRANDT:** Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties.

**GEIST:** And with that, we will begin hearing LB166. Welcome, Senator Bostelman.

**BOSTELMAN:** Thank you. Good afternoon, Chairwoman Geist and members of Transportation and Telecommunications Committee. My name is Bruce Bostelman. I spell that B-r-u-c-e B-o-s-t-e-l-m-a-n, and I represent Legislative District 23. I'm here today to introduce LB166, which would amend the scoring criteria used by the Department of Transportation when awarding contracts utilizing project delivery methods such as design-build, progressive design-build, construction manager/general contractor, and public-private partnerships. Currently, when scoring project bids on progressive design-build projects, DOT must account for the historic reasonableness of costs and expenses on past projects performed by the company bidding on a project. Simply put, they're required to look at what companies had estimated a project cost to be and how much the project actually cost upon completion. LB166 would require DOT to include the same scoring criteria in its review process of the other alternative delivery methods, including the design-build, construction manager/general contractor, and public-private-partnership methods. LB166 would also require historic reasonableness on cost criteria to be given a weight of 50 percent and the scoring process for all of those options. It is my understanding that the Department of Transportation has tried to use the alternative design project delivery methods on projects with the intention of saving time and money. However, these projects did not actually come to fruition. This bill would give the department a more robust vetting process to weed out companies who had a history of bidding low and coming in way over budget. Several other states have used similar weighted scoring criteria when awarding contracts. In Alaska, past performance, including initial bid and final cost, had a scoring weight of 20 percent. In, in a \$130 million project on I-80, Utah weighed historic prices at 30 percent, and both of these states have been successful in utilizing alternative-- alternate delivery methods using similar scoring criteria as this bill proposes. Noted-- I know that there are testifiers behind me that have much more experience in this field of work and who can provide a bit more

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insight into this process, but I'll be happy to try to answer any questions you may have.

**MOSER:** Questions for Senator Bostelman from committee? Seeing none, thank you. Anybody here to support LB166? You can come forward. Welcome.

**KATIE WILSON:** Hello. Good afternoon, members of the Transportation and Telecommunications Committee. My name is Katie Wilson, K-a-t-i-e W-i-l-s-o-n, and I'm testifying on behalf of the Associated General Contractors of America Nebraska Chapter in support of LB166. AGC is a trade association of heavy highway contractors who perform highway, bridge, and municipal utility infrastructure work across the state of Nebraska. AGC has long been supportive of innovation in the construction industry. This includes new ways of delivering projects to Nebraskans. But new methods should always be transparent and good stewards of taxpayer dollars, which is why we worked with Senator Bostelman to introduce this bill. Since my time in the construction industry, which is over 30 years now, all highway and bridge jobs were led the same way. The Department of Transportation would design the job and then seek bids from contractors called the Nebraska Highway letting. The lowest bidder won the job. This is called design-bid-build. Over the past ten years or so, we have seen the introduction of other methods of project delivery, including design-build, construction manager/general contractor, also known as CMGC, and others. These methods look at other factors besides costs when selecting the contractor to build the project. AGC is supportive of the use of these alternative delivery methods when used for the right project. However, AGC believes the state and taxpayers would be best served if the selection criteria used by the department included looking at whether a contractor has a history delivering projects at a reasonable cost or whether a contractor wins a bid but is unable to deliver the job at the cost it was quoted at. LB166 requires the DOT to include this review of a contractor's costs in the design-build, CMGC, and public-private-partnership methods of project delivery and requires the department to give it a weight of 50 percent when it scores proposals. AGC understands that this requirement is not widely adopted by other states. Alternative delivery is still very new in Nebraska and somewhat new across the country as it relates to the horizontal construction industry. We look forward to innovating in this way as we balance the good that alternative delivery can bring in terms of efficiency and speed with the protections to the taxpayer the design-bid-build process has always provided. Since the introduction of LB166, we have been in contact with the Department of Transportation and we have agreed to form a joint task force with them

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to work through the implementation of alternative delivery, which will include discussions on how to implement costs in the selection criteria. We look forward to reporting the results of that task force to you in the future. Thank you and I'd be happy to answer any questions you might have.

**MOSER:** Questions from the committee? Senator Brandt.

**BRANDT:** Thank you, Vice Chair Moser. Thank you, Ms. Wilson, for your testimony today. A couple of questions. How do we ensure with only one bidder the state of Nebraska is getting a good deal? And I guess I've got a little bit of trepidation when I think back to what happened with Saint Francis on the HHS side and I do not want to see that same situation happen on the side of contracting and roads. What's your opinion?

**KATIE WILSON:** Well, you'd think my members would like to see one, one bidder, correct? But that's not always the best. So we have seen one bidder a lot of times in some of the projects lately in the last few years with just more work and other states have money too. But we, we support competition. We want more than one bidder. We think it's, it's the best way to deliver the program. So I think all in all, you know, alternative delivery is not necessarily going to give you one bidder. We hope it will bring you more, especially if we open up and include that cost is a factor because it will allow more of my members to participate. And if we would limit it, I think you're going to be limiting the number of bidders.

**BRANDT:** So when you say it would bring more in, so size would not be a factor with this. If you're, if you're a big contractor like a Hawkins and then you've got DeKay contracting over here that, that wants to get, to get into this, do they have an equal shot underneath this formula?

**KATIE WILSON:** Yeah, I mean, that's kind of what we're looking at. So you can use alternative delivery on \$10 million jobs. You can use it on half a, half a billion dollar job. So it just depends on, you know, the right project. Obviously, you are not going to get a number of bidders if it's a large project, especially if they're Nebraska contractors. I, I have 74 contractor members. Right now, I probably have seven that have a history of delivering projects in an alternative way. If we would allow, you know, other criteria instead of just your history of doing this type of work, it would open it up to more of my members and, and nonmembers that could participate.

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**BRANDT:** So you don't see anything in the statute if we pass this that would box us into a corner as a state and make us do something that would be anticompetitive.

**KATIE WILSON:** No, I think it would be better.

**BRANDT:** All right.

**KATIE WILSON:** I think it would be--

**BRANDT:** I appreciate it.

**KATIE WILSON:** --offer more competition.

**BRANDT:** Thank you.

**MOSER:** Senator DeKay.

**DeKAY:** Thank you, Senator Moser. With this, you alluded to, to Nebraska contractors. I know dollars are dollars so is part of the criteria trying to keep Nebraska dollars in, in Nebraska by using Nebraska contractors or is it fair game to go outside?

**KATIE WILSON:** That's not really our intent. We've always been a believer in anybody bidding. We're not a supporter of set-asides for Nebraska contractors because my members work in other states, too, so.

**DeKAY:** Did I, did I hear you right that you said there's, like, seven big contracting companies in the state of Nebraska?

**KATIE WILSON:** Well, we-- AGC has members from other states that do work in Nebraska.

**DeKAY:** Right.

**KATIE WILSON:** They may have offices here, but they do build here. You know, Kiewit is a huge company. They're a member of mine and they definitely can do any kind of alternate delivery. Hawkins is just starting to get into it, but I've got a number of other members that, you know, they, they need to learn, they need to learn how it works and they would obviously want to participate.

**DeKAY:** Thank you.

**MOSER:** How about the use of bid bonds? Are those used in these alternative delivery systems?

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**KATIE WILSON:** I would suppose so. Yep.

**MOSER:** So when Senator Brandt-- couldn't think of his name fast enough-- asked about getting into a situation where you have somebody who gets the bid and then they can't deliver, the bid bond could cover that and the bonding company is not going to bond somebody who's not capable of building the project, right?

**KATIE WILSON:** The bid bond and a performance bond are a different thing. So typically the performance bond will kick in if somebody fails to deliver. A lot of times, you know, you've heard horror stories, there's lots of changes that happen in a project and the bond is not going to help with that, you know, so if that happens today we have change orders there's no doubt. But, you know, sometimes it just depends on how it's managed I would-- and, you know, the contract would state how they bid it and things like that. So that's kind of what we're more concerned with.

**MOSER:** OK. Thank you. Greetings.

**M. CAVANAUGH:** Hi.

**MOSER:** Would you like to ID yourself?

**M. CAVANAUGH:** Self-identification. Senator Machaela Cavanaugh, District 6, west central Omaha, Douglas County.

**MOSER:** Thank you. OK.

**DeKAY:** Can I, can I introduce myself then?

**MOSER:** Did I pass you up?

**DeKAY:** I wasn't here, in here at the start.

**MOSER:** Go ahead.

**DeKAY:** Barry DeKay, District 40: Cedar, Knox, Holt, Antelope, northern part of Pierce, and most of the Dixon Counties.

**MOSER:** Sorry about that, Senator.

**DeKAY:** Not a, not a problem.

**MOSER:** OK. Thank you for your testimony.

**KATIE WILSON:** You bet.

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**MOSER:** Anybody else here to speak in support of this? Any other supporters for LB166? OK. Is there anybody to speak against LB166? Opponents? Greetings. Welcome.

**VICKI KRAMER:** Greetings. Good afternoon, members of the Transportation and Telecommunications Committee. I am-- my name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation and I'm here to testify in opposition to LB166. LB166 creates a cost-related requirement of historic reasonableness for two of the four alternative delivery methods of construction which NDOT is authorized to use under the Transportation Innovation Act. Under the bill, this requirement would be rated-- weighted at 50 percent when NDOT is deciding which bidder to award a contract to for alternative delivery projects. NDOT has several concerns with these requirements and believes LB166, as proposed, will diminish our ability to use the alternative delivery methods and ultimately slow our delivery of projects. The Transportation Innovation Act, originally passed in 2016, contained two alternative delivery methods: design-build and construction manager/general contractor known as CMGC. In 2002-- sorry, 2022, two alternative delivery methods were added via LB116 [SIC--LB1016]: progressive design-build and public-private partnerships. Currently, historical reasonableness does not exist-- or does exist for the design-build and progressive design-build methods. We have concerns with this criteria since the passage of LB1016, which are only amplified by the provisions in LB166 which would expand the CMGC and P3 projects. First, we're concerned by the vagueness of the language of historic reasonableness and are concerned it will lead to disputes with stakeholders and possibly litigation based on proposed comparison of costs. It is not on the same project but different unrelated projects, making it difficult to determine if a comparison is reasonable. For example, how long of a period is historic? How many projects would need to be compared? What is reasonableness beyond being a lowest possible bid? Is the higher cost reasonable if it does include added safety protections or higher quality materials? What if there is additional work that needs to be done on the scope for different site conditions? What if previous projects were completed ahead of schedule? What is this worth? This bill does not explain how NDOT will determine if the information necessary to properly evaluate reasonableness costs and expenses of bidding and completing projects, let alone how to collect and evaluate such information. Even if we did come up with a historical reasonableness formula, we'd have a hard time defending our formula in courts. Another key concern is how NDOT would rate the reasonableness of a cost from bidders or proposers have not completed-- or not

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competed on similar projects in the past, which is especially an issue for out-of-state contractors. This creates an issue for federal funding as we are not allowed to set practices that discourage competition from out-of-state contractors. Therefore, we would either need to sacrifice the use of alternative delivery methods and the efficiencies they bring or lose out on federal funding, which may be relying on-- which we are relying on for the completion of program projects such as the expressway system. NDOT would like to utilize as many tools as possible, tools this body has given us, and we are concerned this bill prevents us from moving as efficiently as we would like. Ultimately, to make use of the millions of dollars we are eligible to receive from the federal government under the Bipartisan Infrastructure Law, we need to employ contractors from out of state. We do not need to discourage this work from being done or leave money on the table that may benefit Nebraska. In working with Senator Bostelman and the Nebraska Association of General Contractors, NDOT has determined it's in everyone's best interest to form a task force on project innovation and delivery with the AGC, the American Council of Engineering Companies, and the Federal Highway Administration. Thank you for your time. I'd be happy to answer any questions.

**MOSER:** OK. Questions from the committee? How about my question about performance bonds or bid bonds, does the use of those still apply to these alternative forms of bidding?

**VICKI KRAMER:** If the contractor wishes to use them, yes. I think the bigger question that was posed was-- and, and I think some of the, the topics that were brought up from AGC is if this would-- if this helps with projects that would not be-- would be at risk for completion if a contractor wasn't able to complete them, if they didn't have the experience to. And I think it's important to know how these projects are actually procured and understanding CMGC and progressive design-build and you have [INAUDIBLE] and capability. So essentially with costs, you're, you're selecting the best qualified contractor in the first stage and we'll get into that in the next bill of how we select them. But then you're moving through the development of the project, so everybody's on the same page so that you mitigate any risk of that contractor potentially not being able to deliver that project. You're aware of that as you're moving through the development of project during preconstruction. Only when you get to an agreed upon GMP in an actual way that you're going to deliver it, do you move forward with the procurement of the construction. So there already are place-- within the procurement structure, there's already mitigations in place to make sure that that doesn't happen that the contractor is, is able to deliver the project.



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**MOSEER:** All right. Thank you. Other questions? Senator DeKay.

**DeKAY:** Thank you. Thank you, Ms. Kramer. I'm looking at the last paragraph of your testimony. You're working with Senator Bostelman and the AGC, one coming in opposed and one coming is supportive of this bill. What's the differences or changes that need to be made to make this compatible for everybody?

**VICKI KRAMER:** I, I do not believe in using cost as a requirement of alternative delivery. I'll be on the record as saying that. That's why I oppose this. I do believe that we can benefit from working together to understand alternative delivery and how it can be implemented. I think we owe AGC and ACEC better information and transparency to this body and to others and how we're going to use the models. I think the education component has been lacking, and so my hope is that the contractor community will better understand how the projects are procured so that they understand that it's actually not in everybody's best interest and you lose the best value approach when you consider costs at 50 percent.

**DeKAY:** OK. Thank you.

**MOSEER:** Thank you for your testimony, then.

**VICKI KRAMER:** Thank you.

**MOSEER:** Anybody else to speak against LB166 in opposition? Is anyone here to speak in the neutral on LB166? Welcome.

**JON CANNON:** Good afternoon, Senator Moser, members of the Transportation and Telecommunications Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n, I'm the executive director of NACO here to testify in a neutral capacity on LB166. I am by, by far not the expert on, on any of these projects, but what I can tell you is that the Transportation Innovation Act has been popular with our folks, the highway superintendents and engineers. We certainly like the fact that this program is, is available to us. We like the results that we've had. We support certainly the concepts that are contained in this bill. However, we don't want to mess with a good thing and kill the goose that's laying the golden egg. So, you know, certainly we would support a study that was going to be done and it sounds like that's being brokered here. And so with that, I'm happy to take any questions you may have.

**MOSEER:** OK. Questions from the committee? OK. Oh, I'm sorry. Senator Brandt.

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**BRANDT:** Thank you, Vice Chair Moser. Thank you, Mr. Cannon, for your testimony. How do you see this affecting your counties?

**JON CANNON:** If the bill is written or, or the results of a study?

**BRANDT:** Either.

**JON CANNON:** Well, the bill as written, I, I think the concerns that were raised by Ms. Kramer are certainly well-founded. There would be questions as to what constitutes reasonable. And that's-- as a member of the Bar Association, we, we love those sorts of things because that, that means that lawyers are going to get paid to represent either side. When it comes to any of the definitions of the terms, those are, those are certainly things that probably need to be figured out, I think, with a little bit more alacrity. You know, as far as the results of a study, I, I think that to the extent that AGC, DOT, any other stakeholders are able to come to a conclusion that's going to be best serving the, the good people of the great state of Nebraska, that is all to the good. And frankly, we share the same interests as, as both of those parties. You know, we want to make sure that our roads and bridges are, are being completed and, and they're, they're safe and well maintained. And so I, I think everyone is, is kind of pointing in the same direction and I think that a study would probably get us there.

**BRANDT:** But this statute would apply to your county engineers?

**JON CANNON:** It can.

**BRANDT:** It will or it can?

**JON CANNON:** I don't know the-- I, I don't know. When we had looked at this, we had the conversation in front of the NACO board and our engineer representatives said that this is a good concept. It's something that we could-- that we would be able to use and so I'm, I'm assuming that's the case.

**BRANDT:** All right. And if you find out, please get back to me.

**JON CANNON:** Yes, sir, I will.

**BRANDT:** All right. Thank you.

**JON CANNON:** Thank you.

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**MOSER:** OK. Any other questions? Seeing none, thank you for your testimony.

**JON CANNON:** Thank you very much.

**MOSER:** Anyone else in the neutral? Senator Bostelman, you're recognized to close on your bill.

**BOSTELMAN:** Thank you, Vice Chairman Moser. First, I want to thank those who came in and testified on this bill today. Appreciate the director's commitment to work with AGC and other parties in setting up a task force to work out a compromise without legislation. Therefore, I'd ask that the committee not advance the bill on the condition that NDOT continues to work with the interested parties. Thank you.

**MOSER:** Questions for the introducer? OK. Thank you very much. We had no correspondence on this bill, either in support or opposition or neutral. So that'll bring us to our next bill, LB226. Senator Brandt.

**BRANDT:** Good afternoon, Vice Chair Moser and members of the Transportation and Telecommunications Committee. I am Senator Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I am bringing LB226 on behalf of the Nebraska Department of Transportation. LB226 would first streamline the construction manager/general contract process. Currently, it is a two-step process. One, solicit a request for qualifications, RFQ, (a) then they must wait 30-plus days for responses. Two, after they receive their qualified contractors, they have to send out a request for proposal, RFP. This takes another 30-plus days to wait for responses. This bill would make the two-step process into a one-step process by allowing NDOT to send out a RFP, which will also include the contractor's qualifications. The second part of this bill would allow NDOT to enter into unsolicited proposals. This would mean a private entity could come to NDOT with an idea that benefits both parties and NDOT could evaluate those proposals to determine if there is merit to the proposal and if there are any competing firms. As I mentioned before, we brought this bill on behalf of NDOT and they will follow me-- and following me in testimony will be Director Kramer who can go into more detail. And with that, I would answer any questions.

**MOSER:** Senator Fredrickson.

**FREDRICKSON:** Thank you, Vice Chair Moser. Thank you, Senator Brandt, for bringing this bill. I'm certainly a proponent and a fan of

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anything that can kind of streamline a process and make it more efficient. As I was just kind of reading this and listening to your-- I, I don't even know if this is-- would, would even be a valid, valid argument, but I could see some pushback potentially being with this maybe eliminating an opportunity for transparency or anything. Do you have any thoughts on that?

**BRANDT:** I think, I think Director Kramer has some experience in that area--

**FREDRICKSON:** Sure.

**BRANDT:** --and I would let her answer that question.

**FREDRICKSON:** I'll save it for her. Thank you.

**MOSER:** OK. Any other questions? Thank you, Senator. Anybody here to speak in support of this bill? Welcome once again.

**VICKI KRAMER:** Thank you. Good afternoon, Vice Chairman Moser and members of the Transportation and Telecommunications Committee. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation. I come before you today in support of LB226. For the last six years, the department has worked closely with the Legislature to streamline the project delivery process in order to mitigate risk and create more reliability around project schedule and budget certainty. The intent of LB226 is to capitalize on best practices and streamline a procurement process while still promoting the best value approach. The first provision of LB226 relates to an alternative contracting method called construction manager/general contractor, or CMGC, that adds value to project delivery through early contractor engagement, meaning the department hires a contractor to provide feedback on design phase prior to construction. This also allows for several benefits, such as improving design quality and budget. NDOT was granted the CMGC contracting authority with the passage of the Transportation Innovation Act in 2016. At that time, NDOT proposed a two-step method for selecting a contractor. Step one is to solicit requests for qualifications or an RFQ, then wait 30 to 60 days or more for responses and evaluation. After receiving these and evaluating, we move to step two, where we send out a request for proposals or a shortlist to qualified contractors from step one, then wait 30 days or more for responses. As NDOT researched further and studied other states, it was determined that the one-step process could achieve the same results in a more efficient way. Thus, NDOT is proposing a revision to the

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Transportation Innovation Act to allow the option of a one-step process when NDOT feels it best suited to a particular project. Under the proposal in LB226, NDOT will be able to solicit an RFP, which will include the request for the contractor's qualifications. Ultimately, the benefit of a one-step process is time. Most states now utilize this one-step process for their CMGC contract of solicitation. NDOT would like to have this option and will revise its guidelines to provide more details as to when the one-step approach will be utilized. During the 2022 session, Senator Walz introduced and the Legislature passed LB1016 which authorized NDOT to seek out and enter into public-private partnerships for infrastructure projects under the Transportation Innovation Act. This authorization gives NDOT flexibility to work with a private entity when such partnerships is in the best interest of the project and the public. LB1016 required NDOT to promulgate a rule and regulation outlining the process for soliciting and evaluating proposals before entering into contracts with a private partner. However, one issue that arose that was not covered by LB1016 is when a private partner comes to NDOT with an unsolicited proposal that may benefit the public. While NDOT may find such a proposal beneficial, we feel express statutory authorization to evaluate and enter into these unsolicited partnership proposals is necessary. Once express statutory authorization is provided, NDOT can develop a process to fairly and equitably evaluate such proposals. There are two key conditions found in the language of LB226 that would allow NDOT to contract for such a proposal. First, the department must determine there is sufficient merit in the proposal and that is a good idea that would bring value to the department and the state as a whole. Second, NDOT would only move forward with providing reasonable opportunity for other entities to submit competing proposals. This means we would reach out to other interested parties to see if they have comparable products or processes ensuring competition is preserved. The intent of this bill was not intended to be-- to use the unsolicited proposal process when the primary purpose of the proposal is minor maintenance, restoration, rehabilitation, resurfacing, construction, or reconstruction of bridges and highways. With legislative authorization through LB226, NDOT would be able to put in place transparent guidelines for considering these opportunities based on programs such as Arizona DOT's program which currently allows for unsolicited P3s. In closing, LB226 would provide NDOT with flexibility that will help us be more efficient in our project delivery processes and provide added value to taxpayers by allowing NDOT to enter into agreements that we may not have been aware of prior to requests by a private, a private entity. Thank you for your time and I'm happy to answer any questions.

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**GEIST:** Are there any questions from the committee? Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Thank you for being here, Director Kramer. Can you give me an example of an unsolicited proposal, what that would be?

**VICKI KRAMER:** So I'd rather in generic standpoint so it's, it's clear and we want to make sure that it's-- these are more of the ITS, so you're intelligent transportation systems, your potential aeronautics proposals, they're not your typical roads and bridges type projects. So we obviously have a system in place that connects our roadways that allows for safer transportation through technology. We look at those opportunities and a lot of that innovation is driven by private enterprise. And so having the ability to listen to those providers and potentially program an unsolicited solution that they bring to us would be helpful. So in terms of best practices, we see Arizona, Colorado, Minnesota, and others really start to look at unsolicited proposals having a benefit on ITS projects.

**M. CAVANAUGH:** So currently, what does it mean to be unsolicited versus solicited?

**VICKI KRAMER:** So an unsolicited would be if you have a technology provider or someone that has a stake in transportation brings a solution to the DOT for a problem that we may not have completely flushed out yet.

**M. CAVANAUGH:** And they can't currently do that?

**VICKI KRAMER:** They can't-- I can't take that proposal and then program it in, it would essentially-- then I'm taking their, their specific guidance and then soliciting a proposal around it, which is actually more unfair than doing it unsolicited. So through an unsolicited, what I would do is I would take that proposal that they are, open it up for equitable competition, meaning I would say here is what we currently have. We do active outreach to say this is what we're seeking a solution for based on this information. We're also looking at Arizona, for example, has a requirement to pay for such evaluation of a proposal. So it would be that the department spends maybe six months looking into the potential option that is being given to us or being solicited from us and then we would move forward with it and be paid by the private entity.

**M. CAVANAUGH:** OK. Thank you.

**VICKI KRAMER:** Um-hum.

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**GEIST:** Any other questions? Senator Bostelman.

**BOSTELMAN:** Yeah, thank you, Chairwoman Geist. What's the dollar threshold on unsolicited proposals?

**VICKI KRAMER:** I think we set that. We have not come to a conclusion on this one, we've set it whenever we move forward. Again, I think it matters on the type of project we set. It's not on roads and bridges. I can be clear with that and on the record with that, we are looking at it in terms of more technology-based, innovation driven type--

**BOSTELMAN:** Are you talking about broadband, broadband deployment?

**VICKI KRAMER:** It could be.

**BOSTELMAN:** So where's the funds for broadband deployment come from?

**VICKI KRAMER:** BEAD, under the infrastructure. If it comes to the DOT, it would be under BEAD, which is the IIJA program for broadband. So not roads and bridges funds, but broadband funds.

**BOSTELMAN:** That would have to go through Broadband Office then, right?

**VICKI KRAMER:** Yes, absolutely.

**BOSTELMAN:** Yeah, the Broadband Office had to approve it. I think it's interesting DOT wants to do that now because we've been after them for six years until they [INAUDIBLE] when they build and they refused. So I mean that's-- it's positive to hear that you're willing to, to build broadband with that. The other question I have is other interested parties, how do we know who those other interested parties are?

**VICKI KRAMER:** So this is where we have something-- we have-- we've got some opportunity to learn on how other states actually push out their, their information. We would probably have to set up a website is where my initial reaction is, and we would seek out, OK, if we have a technology provider come to us with solution A, who else is in this space providing answers to solution A and actively seek out those, those interested parties.

**BOSTELMAN:** Yeah, I guess my-- the challenge is, is to understand how someone is going to know what someone else is going to bring to DOT that's not being requested by DOT to be done and then to be able to provide information out for, I call it, for request for proposals or competition on an, on an unsolicited project that the person who

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brought the project to you already has the costs and everything figured out.

**VICKI KRAMER:** So, yes, I would say that this concern is being talked about more and more in this-- in the community. And given the fact that technology is creating such a unique place in transportation and having such an impact going forward, we're going to have to sort through these things. And in, in my opinion, when you're looking at the type of innovation, you have several states leading the way because they're much more innovative in looking at these technology providers and what kind of solutions that they can provide. They have established relationships. Right now, if one of those providers is referred to us by another state and brings us a solution, if I draft an RFP around that, I've broken our rules so I need, what I need to do is be able to have the ability to do an unsolicited to capitalize off of that innovation that's rippling through other states in that partnership we've created so we can start moving forward and actually be at the forefront of some of this innovation on technology that only makes the roads safer.

**BOSTELMAN:** OK. Thank you.

**GEIST:** Any other questions? I do not see any. Thank you for your testimony. Are there any other proponents for LB226? Any proponents? Are there any opponents for LB226? Good afternoon.

**KATIE WILSON:** Good afternoon, members of the Transportation and Telecommunications Committee. My name is Katie Wilson, K-a-t-i-e W-i-l-s-o-n, and I'm testifying on behalf of the Associated General Contractors of America Nebraska Chapter in opposition of LB226 as it's presented today. AGC is a trade association of heavy highway contractors who perform heavy highway, bridge, and municipal utility infrastructure work across the state. AGC has long been supportive of innovation in the construction industry. This includes new ways of delivering projects to Nebraskans, but new methods should always be transparent and good stewards of the taxpayers' dollars. AGC is supportive of Section 1 of the bill, which combines the qualifications and proposal steps of the construction manager/general contractor, or CMGC, selection process. Contractors can spend considerable time preparing submissions for alternative delivery projects. Combining these steps is more efficient for all parties involved and does not hinder transparency or accountability to the taxpayer. AGC does have concerns about Section 2 as introduced, therefore why we are opposed. Our understanding is that the department is seeking this language in case our services outside its highway and bridge building program that



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it may need to obtain in the future. We think that makes sense for those ancillary services. We do not think contractors should be able to provide the department an unsolicited proposal to build a highway or a bridge. We have been in discussions with Senator Brandt and the DOT to amend language which would not allow the use of an unsolicited proposal for minor maintenance, restoration, rehabilitation, resurfacing, construction, or reconstruction of bridges and highways. The state and taxpayers are better, far better served when all contractors have an opportunity to bid on work. Thank you. And if you have any questions, I'll try to answer them.

**GEIST:** Are there any questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. I guess my question would-- comes down to costs. I'm talking about for the unsolicited. Seems to me there's got to be a threshold or is there something already out there? I mean, it's \$100 million, you know, half a million?

**KATIE WILSON:** Well, I think we have that in statute now where you can work directly with the state and the counties, I think, on some smaller items. But, you know, for bridges and, and roads we want to bid it. We want it to bid out. And I think it's, you know, half a million or a million it would be-- would make sense, but I think we'd have to check into that. But there might be that limit now where they can go direct, but.

**BOSTELMAN:** If they're not minor projects then, you know,--

**KATIE WILSON:** It's going to be maintenance type stuff, I think is where they can go outside of the monthly bid process.

**BOSTELMAN:** OK. Thank you.

**GEIST:** I have a question. So this is not intended to be used for minor maintenance, restoration, rehabilitation, resurfacing, all of that, so what do you do that's not that major or--

**KATIE WILSON:** No, we do all those things: restoration, preservation, new highways, all of it. I mean, that's what construction and bridge, you know?

**GEIST:** OK.

**KATIE WILSON:** That's what my members do.

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**GEIST:** OK. Thank you. Any other questions from the committee? I don't see any. Thank you. Any other opposition testimony for LB226? Is there anyone who wishes to speak in the neutral capacity? Senator Brandt, you are welcome to come and close. And while you do, I did receive two letters, the committee did, and they were both in opposition.

**BRANDT:** Well, looks like we'll have to meet, get all the parties together, and work on an amendment.

**GEIST:** OK.

**BRANDT:** That's-- as the committee probably sees it much the same way.

**GEIST:** Are there any questions from the committee? Thank you for your bill. With that, we will move on to LB564. Senator Dorn. Welcome to the Transportation and Telecommunications Committee. I don't think we've seen you this year.

**DORN:** Yes, not, not very often here because we've been in the other committee or whatever. So, yes, thank you for letting me be here today.

**GEIST:** Sure.

**DORN:** Good afternoon, members of the Transportation Committee, Senator Geist and fellow members. My name is Myron Dorn, M-y-r-o-n D-o-r-n, and I represent District 30. I'm here to open on LB564. This idea was brought to me by the dairy producers to expand on the Economic Opportunity Program, which was adopted in 2016 and in five years-- in the five years the program has been running and has seen a good return on state dollars. We all know that if we want great economic opportunities, we need to have a great transportation infrastructure. I have given you a handout with the statistics of the program and the state's investment in transportation improvements. Your chart, your chart shows 11 projects in yellow that have been completed with private investments of \$1.4 billion and the state investment of \$4.4 million. On the map, I have marked three projects. I have also printed out an additional sheet showing three different projects and how diverse they are with the economic impact. It is obvious that this program spurs investment all across the state. So now comes LB564. It is pretty straightforward. The bill expands this program to allow the transportation improvement funding to include agriculture and livestock production operations. This fund is currently capped at \$20 million. The bill would increase the maximum amount available to \$40 million. Representatives of the, of the dairy industry will speak to

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this, but there are dairy operations that would like to come to Nebraska, but they need paved roads to move their product safely and efficiently, as do other ag operations. With that, I would be glad to answer any questions.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Senator Bostelman.

**BOSTELMAN:** So are we just talking about paved roads or are we talking about-- and maybe-- or just gravel roads that are improved to handle the traffic?

**DORN:** The dairy-- Kris with-- Kris Bousquet with the dairy can talk more about that. But part of this is where some of these dairies want to relocate. They're basically on dirt roads or that type of facilities. They cannot or they will not be operating out there with-- without some improvement to those roads. It depends on what type of volume they have, depends on how big they are on how much trucks are going in and out.

**BOSTELMAN:** I appreciate that completely because we have a lot of chicken barns in, in my district and roads and, dare I say, county bridges--

**DORN:** Yes.

**BOSTELMAN:** --are in disrepair and closed and we don't have a way to fix those bridges right now. So I appreciate it. Thank you.

**DORN:** Thank you.

**GEIST:** Any other questions? I have one for you. I hope this isn't a dumb question, but I'm going to risk it. Is this \$40 million biannually or is it a \$40 million-- I know it's a cap, but can that be reached biannually or is it a one time you reach it and it's done?

**DORN:** That-- we'll let Kris answer that--

**GEIST:** OK.

**DORN:** --later on.

**GEIST:** Thank you.

**DORN:** I do not have a good answer for you. This program was originally set up with that \$20 million and it shows what an economic impact it

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had using those out there on projects, but I do not-- we will get that.

**GEIST:** OK.

**DORN:** When I come back up in my closing, we'll have an answer for you--

**GEIST:** OK, great.

**DORN:** --if Kris doesn't.

**GEIST:** Thank you.

**DORN:** OK. Thank you.

**DeKAY:** Just a second.

**GEIST:** Oh.

**DORN:** Maybe Senator Brandt knows.

**GEIST:** Senator Brandt, I'm sorry about that.

**BRANDT:** Thank you. Thank you, Chairwoman Geist. Thank you, Senator Dorn, for bringing this bill. I think you and I are probably some of the few livestock producers in the body. So NDOT administers these funds, or DED does? Do you know?

**DORN:** I'm pretty sure it goes through NDOT, but I don't have a good answer for that either.

**BRANDT:** And they're the ones that would score these projects? So Gage County would-- let's say you've got chicken houses and so then you served on the county board and somebody comes in and wants to build \$100 million worth of chicken houses, then they would go through the county board. The county board then would, would request these, is that how this would work?

**DORN:** They would still have to apply to the state agency to get these grants and see if they meet the requirements.

**BRANDT:** The county would or the individual would? What I'm saying, the project or the, the--

**DORN:** Current, current-- well, OK, I'll, I'll, I'll back up. I don't know if it's Department of Transportation, I think it's Department of

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Economic Development because they have to go and apply to them to meet the criteria to qualify for these grants. And maybe people behind me are shaking their head yes or no. Because without these entities, without these businesses qualifying for and showing the Economic Development that they will have-- they will not be able to get the grant.

**BRANDT:** OK. But these grants are basically going to Gage County to improve a Gage County road that they would be responsible but maybe they--

**DORN:** Yes, it, it is for those specific projects, those specific projects. This program came about so that as businesses or entities or, you know, maybe a, a steel company in somewhere would come into the state, now they're-- they have a road that also needs to be brought up to, I call it specs, or to be able to use it. That's what this program was--

**BRANDT:** Right.

**DORN:** --came about.

**BRANDT:** When you look at your handout, we had that one mile of Monolith road at \$1.2 million.

**DORN:** Yes.

**BRANDT:** So that was underneath this program?

**DORN:** Yes, that was underneath this program. You know, about the Monolith plant down there and what they had to do there. To me, they would have had to go through the economic development part of this project to get that approved and get that funding for this. But what that does is you can see on these last three projects here what it spurs in economic development in those areas and what comes about a lot of times because the last thing to hold up a project is the road going into that business or the condition of the road or it's not able to uphold or, you know, what is all going to be used there because Monolith is going to have a tremendous amount of traffic coming into that project in the future years. And this road that they asked the county, I think the county, if I remember right, gave part of the money for that road also, but also Economic Development did so that this project could be completed because that was one of the, as we've been down there to visit, that was one of the criteria that needed to be done so that Monolith could keep moving forward.

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**BRANDT:** But this, this is a nice tool for you as a, as a past county commissioner to tell--

**DORN:** Yes.

**BRANDT:** --those companies that, yes, we can--

**DORN:** Yes, if, if--

**BRANDT:** --maybe--

**DORN:** --if you apply for the grant and you get this grant because of the economic activity you're going to get, now that can help the county upgrade that road to meet the criteria that's needed because of the volume of business that road is going to have.

**BRANDT:** All right. Thank you.

**DORN:** Yeah.

**GEIST:** Yeah, Senator DeKay.

**DeKAY:** Thank you, Senator Geist. Thank you, Senator Dorn, for being here today. This might be a question for you or first, one of the testifiers coming up. When it comes to the criteria for building a chicken barn, a dairy, or whatever, at the county zoning commission does that, with the repair of the roads or the condition of the roads, does that play into any of the decisions if they're going to zone for a project like that or not?

**DORN:** In my experiences on the county board, that is part of the criteria that you go through to build it. But it doesn't necessarily mean that the county is going to upgrade that road or the people doing the chicken barns or anything like that. That, and in my experience in Gage County, that was all part of the discussion of how, how much will need to be done or how much will need to be improved. This is one opportunity now where they will have to apply for a grant that maybe could help with that. They still have to show a certain amount of economic return on this to be able to get this. This doesn't mean that they'll automatically get it, but here's an opportunity that in the past they excluded the, the specific wording for agricultural use. It was for other economic businesses like a, you know, a, a, a steel mill or something like that, that that was why this was. And when this bill came about, they specifically, one of the things that they listed or did not list was agriculture being able to use this also. Kris will tell you that there are-- if things would work out right, there may be

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some dairy operations that will come into our state and this is one of the things they look at how are you going to help us or what economic benefit will we have if we move there? And, you know, upgrading the road so that now the trucks just don't get stuck going in and out would be a critical part of this.

**DeKAY:** Thank you. Appreciate it.

**GEIST:** Are there any other questions on the committee? I don't see any.

**DORN:** Thank you.

**GEIST:** Do you plan to stick around to close?

**DORN:** Yes, we do.

**GEIST:** OK.

**DORN:** Yeah, because we'll have an answer for you on that.

**GEIST:** Oh, great. OK. Thank you.

**DORN:** Thank you.

**GEIST:** The next proponent. Are there any proponents for LB564? Good afternoon.

**KRIS BOUSQUET:** Good afternoon, ma'am. Members of the Transportation and Telecommunications Committee, good afternoon. My name is Kris Bousquet, spelled K-r-i-s B-o-u-s-q-u-e-t, and I serve as the executive director of the Nebraska State Dairy Association, and I'm here testifying in support on Senator Dorn's LB564 on behalf of the Ag Leaders Working Group, which consists of the Nebraska State Dairy Association, Nebraska Cattlemen, Nebraska Farm Bureau, Nebraska Corn Growers, Nebraska Soybean Association, Renewable Fuels Nebraska, Nebraska Wheat Growers Association, Nebraska Poultry Association, and Nebraska Pork Producers Association. Our collective membership represents almost every farmer, dairyman, or rancher in the state of Nebraska. The Department of Transportation's Economic Opportunity Program is a great tool for communities to overcome economic development obstacles that they cannot afford. This program is a cost share between the county applicant and the state to build critical transportation infrastructure to support economic development. To be eligible for this program, the county must prove that the project demonstrates economic benefit to Nebraska and provide 25 percent of

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the total eligible transportation project costs. But program-- the program also recognizes in-kind contributions. The program has been utilized to build rail spurs, pave county roads, build turn lanes or improve county roads to meet project capabilities. Department of Transportation has the authority to spend \$20 million in the transportation innovation bank fund throughout the life of the program, which is scheduled to sunset in 2033. The DOT budgets \$1 to \$1.5 million per year to qualifying projects to ensure that the program has funding available until that 2033 project or 2033 sunset. LB564 increases funding available to this program by an additional \$20 million over the remaining life of the program and for good reason. The program has met or exceeded the budget set forth by the DOT in 2020, 2021, and 2022 and is looking like it will exceed it again this year. You may have noticed that beyond the request for additional funding, Senator Dorn also included the language to include livestock production and processing as qualifying projects. We thank Senator Dorn for doing this because DOT utilizes the Department of Economic Development's targeted industries designation as one of the determining factors for qualification. Targeted industries are agribusiness, food processing, biosciences, advanced manufacturing, renewable energy, financial services, IT and data services, health and medical services, business services, transportation and logistics, and call center and e-commerce. You'll notice that livestock production is not included in the DED targeted industry, but agribusiness is. Unfortunately, livestock production project-- projects have been disqualified in the past because they do not align with the definition of agribusiness, including the words "livestock production and processing" in the bill eliminates the gray area and ensures that livestock producers will have access to the program. This is important because of the significant growth we are seeing in the livestock sector. Nebraska has substantial development projects across our state in beef, pork, poultry, and in dairy and which would be significant long-term economic drivers to rural Nebraska. Specifically speaking about dairy, we're currently growing and expecting to continue to grow over the next five to ten years, which would be incredible for the state's economic stability. So, for example, a dairy farm costs about \$8,000 to \$10,000 per cow to build. So if you build a 10,000 cow dairy, you're looking at \$100 million investment in rural Nebraska, which we think is pretty substantial. And then overall, recruiting a large dairy processor to the state, the University of Nebraska has found that it will bring roughly \$1.7 billion worth of annual economic return back to the state of Nebraska. Long story short, we have significant opportunities in livestock growth and LB564 will not only help counties bring economic vitality back to Main Street, but it will



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help them overcome infrastructure demands of economic development that often disqualifies them for the opportunity. We urge the committee to move this bill forward and I'll be happy to answer any questions that you might have.

**GEIST:** Thank you for your testimony.

**KRIS BOUSQUET:** Yes, ma'am.

**GEIST:** I think you answered my question in that testimony.

**KRIS BOUSQUET:** OK.

**GEIST:** Are there any questions on the committee? Senator DeKay.

**DeKAY:** Thank you. Thank you, Kris, for being here. What's the long-term plan on how many, say, 10,000 cow dairies are there potentially coming into the state or do you--

**KRIS BOUSQUET:** Yeah, so, you know, I hate to even really tie a number to it because everybody's operation is different. With this growth, we're going to see 50 cow dairies and 100 cow dairies. And so that's an amazing opportunity for our industry to grow. But, you know, we're going to need-- if, if we're expected to grow on the clip that we're looking at, we're probably going to need roughly 100,000 cows, 150,000 cows to support a new dairy processing plant. So, I mean, you can do the math if you want to break it down into 10,000 cow dairies, it's 15 of them. So there's--

**DeKAY:** Is, is there the interest to grow, bring those many dairies into the state to utilize this program plus a facility for milk processing?

**KRIS BOUSQUET:** Yeah, when you look at, when you look at growth in the livestock sector, I mean, not, not really just singling out dairy, but livestock sector in general, when you're building any type of livestock facilities, you, you want to be respectful of your neighbors. And so a lot of times these facilities are going to be built on minimum maintenance roads which makes a lot of sense. And but, unfortunately, if they're built on a minimum maintenance road that's far away from neighbors, you know, you're going to have to bring that road up to, to par to help facilitate that growth. And, you know, I don't think a-- I think the landowner is, whoever builds the facility is more than happy to chip in. But it's also nice due to the factor that it's getting extremely competitive to recruit dairy farms today. You know, I think it'll, it'll help us, help us not only

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recruit a processor, but it'll help us recruit those, those farms as well.

**DeKAY:** Thank you.

**KRIS BOUSQUET:** Yes, sir.

**GEIST:** Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. Elimination-- curious why you eliminated the reporting on the-- in, in the bill that details the program that was supposed to have a report come to Appropriations and this committee on December 1, 2016. Do you know why that is?

**KRIS BOUSQUET:** No clue. Can you, can you restate that?

**BOSTELMAN:** So, yeah, on the bill-- in the bill, it says "The details of the program shall be presented to the Appropriations Committee and the Transportation and Telecommunications Committee of the Legislature on or before December 1, 2016." That's stricken, that language. No idea?

**KRIS BOUSQUET:** Maybe because it's out of date. I don't know. Maybe we need to put a different--

**BOSTELMAN:** That would make sense.

**KRIS BOUSQUET:** Yeah. Yeah.

**BOSTELMAN:** And here I see-- and here it says it terminates 2033.

**KRIS BOUSQUET:** That's when the program sunsets, sunsets.

**BOSTELMAN:** As it currently does.

**KRIS BOUSQUET:** Correct.

**BOSTELMAN:** How much, how much of the \$20 million has been utilized?

**KRIS BOUSQUET:** So I believe to date \$6 million-- \$6.5 million has been utilized. So there's, you know, quick math, what is that, 13?

**BOSTELMAN:** OK. All right. Thank you.

**KRIS BOUSQUET:** Yes, sir.

**GEIST:** Any other-- yes, Senator Brandt.

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**BRANDT:** Thank you, Chairwoman Geist. Thank you, Mr. Bousquet, for your knowledgeable dairy discussion here. The way the bill is written, somebody has to kick in 75 percent. Is that usually the county or if a new dairy comes in \$100 million investment do they graciously tell these rural counties, well, we don't have any extra money, that they'll kick in the 75 percent? How does that work?

**KRIS BOUSQUET:** Yeah, so it is a cost share. So I think-- now I, I could be wrong so, but I think the, the investor in the county and the DOT in this, this program would kind of commingle their resources to help improve the roads. But I do know that the matching of this program, depending on how the, the project scores, the DOT could chip in more. You know, they won't-- right now, they only budget \$1 million to \$1.5 a year. But in talking with Jarrod Walker, who's their, who's their staff person that runs this program, the DOT is giving them or the director has given them full range to go above and beyond that budget requirement per every year if the program-- if the project, the economic development project, meet or exceeds their scoring rubric.

**BRANDT:** And then I don't know if you can answer this or not, but do the standards have to be to state highway and federal standards on any construction or can it simply be to county standards?

**KRIS BOUSQUET:** That's a good question. That might be a good question for the DOT. I'd, I'd be happy to work with them to get you an answer on that, though.

**BRANDT:** All right. Thank you.

**KRIS BOUSQUET:** Yes, sir.

**GEIST:** Yes, Senator DeKay.

**DeKAY:** Real quick on a follow-up. So if you're going to be paving these roads, building them up and stuff, how does that work at a timeline? So if you're, you're building on a minimum maintenance road, a couple of miles of pavement, whatever, so that it works, do you try to schedule that around when there's going to be a paving company or a plant set up close to you so that they don't have to come in and set up just for a two-mile stretch or how's that work?

**KRIS BOUSQUET:** Yeah, I mean, that's kind of up to the county how they want to handle it. But, you know, I, I don't want to make a case that the dairy-- a dairy farm has to have a paved road. I mean, as long as they have a good road, that's all that matters to them. So whatever,

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you know, cost-effective way that the parties work together to meet that, that goal is just fine with the producer.

**DeKAY:** All right. Thank you.

**KRIS BOUSQUET:** Yes, sir.

**GEIST:** Any other questions on the committee? Thank you for your testimony.

**KRIS BOUSQUET:** Thank you, ma'am.

**GEIST:** Any other proponents? Proponents? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Geist, members of the Transportation and Telecommunications Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of NACO here to testify in support of LB564. Thanks to Senator Dorn for bringing this. This is a program that we're, we're especially pleased with. This doubles state funding the counties in the program. And anytime that we have a program that's popular that's going to double its funding, we're certainly going to be in support of that. It's cost share with counties, finance, and transportation and track and support new businesses to include livestock production. And, and I'm glad that we added that term in there to-- as, as the prior testifier Mr. Bousquet had mentioned, just clarifies a gray area that, that had been there. I know that there are a number of counties, particularly out west, that they're looking at the various ways that they can become livestock friendly. And so if you have a county where you're going to have a feedlot where you double your, your production from 10,000 to 20,000 head, you got to build up the roads. And so this is a program that, that really helps with that sort of thing. My understanding is that the county, or at least the, the projects that I'm, I'm familiar with, the county was the applicant for those. And so typically what you have is the, the highway engineer-- or I'm sorry, the highway superintendent or the highway engineer is going to get all that information together. They'll, they'll work with DOT, they'll get it approved by the board, and then they submit their application. I'm happy to take any questions you might have.

**GEIST:** Sure. Thank you for your testimony. Any questions from the committee? I don't see. Thank you very much.

**JON CANNON:** Light work today. Thank you very much.

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**GEIST:** Any other proponents? Any proponents? Are there any opponents for LB564? Anyone who wishes to testify in the neutral capacity? Seeing none, Senator Dorn, you're welcome to close.

**DORN:** Thank you. We'll, we'll come back up and just-- to try to answer some of the questions. I think yours was answered.

**GEIST:** Yes.

**DORN:** This is a one-time funding or whatever, and then it runs out after a certain time. But Senator Bostelman's question, and I think you had the green, the green sheet, that, that bill and why that part was crossed out referring to 2016, that-- the Bill Drafters did that, because that-- when we visited with the NDOT back here, they said that's no longer a requirement that that be done. Yeah, [INAUDIBLE]. Yes. OK. Thank you. You know, this, this-- the public entity, the city, the counties, or the MPOs can apply for these funds. This has to be a certain site project. This isn't just somebody builds, you know, one chicken barn in a certain spot. So the criteria would still have to be met. They look at whether or not the economic opportunity and the economic impact it's bringing is going to be worth the investment or not. So it's not something that just you automatically apply for and you get. One of the things that in the rural areas we're not able to do is some of the-- that the cities are able to do is called a TIF project. When the ethanol plant went in down in Adams a mile and a half outside of town, and they actually had to bring that then into the cities. They had to annex that into the city so that they could have a TIF project to build the road, a mile and a half road into that facility. At that time, I wondered, too, why did they need a cement road versus a gravel road? That gravel road would be beat up so bad it wouldn't be funny. We have 400 semis a day going in and out there. With the cement road that that TIF project was able to do at that time, it is still in real good condition today. So some of it is cost savings and that. One of the things we're not-- generally you don't have an opportunity in rural areas is, I call it the jump at TIF, and include that in there so you can't do that. This is one opportunity maybe for some of these projects to also look at it and use because right now today ag was specifically excluded so we're hoping to get that in there. Thank you.

**GEIST:** Are there any questions on the committee? I don't see any. Thank you. You did a good job explaining it. That will close the hearing on LB564, and we will open now on LB600 with Senator Lippincott. Good afternoon.

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**LIPPINCOTT:** Good afternoon, Chairman Geist and members of the Transportation and Telecommunications Committee. For the record, my name is Loren Lippincott. Loren is L-o-r-e-n, Lippincott is L-i-p-p-i-n-c-o-t-t, and I'm here before you to introduce LB600, and I am wearing my transportation tie today.

**GEIST:** We appreciate that.

**LIPPINCOTT:** The Economic Opportunity Program began back in 2017 and was funded via the Transportation Innovation Act to spur economic development and attract and support new businesses and business expansion across the state of Nebraska. The program is administered by the Department-- the Nebraska Department of Transportation in consultation with the Department of Economic Development and has been a great tool to the communities in our state. To date, Nebraska DOT has granted approximately \$6.5 million to various political subdivisions for 18 different projects all across the state. These projects have created over 1,800 jobs and \$16.2 billion in economic benefits. Ninety-three percent of projects have been in rural communities. The Transportation Innovation Act provides a \$20 million cap to the Economic Opportunity Program before it sunsets in the year 2033, meaning there's approximately \$13.5 million in funds Nebraska DOT can continue to appropriate so long as request for funding continues. However, as the statute is written, the program funds are limited to project improvements to transportation that LB600 seeks to further the Economic Opportunity Program's goal of economic development by allowing funds to be used to improve infrastructure for first and second class cities and villages in accordance with their approved redevelopment plans and will lead to economic development investment. This change will increase the ways in which communities can use funds to improve their economic landscapes. I realize the term infrastructure is a general term that may need to be tightened up, but my intent is for the fund to be used for roads, bridges, sewer and water systems, and I would invite the committee's input on that. I've heard from Grand Island and many other communities that there's a great need to expand the Economic Opportunity Program to allow for improvements to infrastructure that will lead to increased economic development investment by the private sector. Following my introduction, you will hear from individuals with firsthand knowledge of how these funds will positively impact their communities. Nebraska's prime location between the two coasts, robust transportation network and inland port potential makes it a perfect location for attracting long-awaited economic development projects. However, these projects need "infrastructurally" sound investment pieces. Nebraska has been a contender for at least four large economic

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development projects since 2019, two of which were lost due to a lack of construction ready sites. The key to having construction ready sites is having infrastructure that can support the needs of highly lucrative businesses. Compared to neighboring states, Nebraska is lagging in the development of anywhere from 500 to 1,000-plus acre sites that are needed to attract large employers or regional manufacturing, processing, trade, and logistic hubs. Grand Island has over 12,000 acres of continuous blighted land located on the outskirts of the city, and these acres would be perfect for private investors to establish these hubs and would be a huge economic driver for central Nebraska. However, there is expansive need for infrastructure overhaul to attract these investors, most notably sewer and water to the area. Allowing the economic opportunity funds to be used for infrastructure improvements would improve the physical landscape of these communities and lure companies to these sites. To put it in perspective, a BMW facility that considered Nebraska as a site in 1992 has generated more than \$16 billion, with a B, billion dollars in economic impact annually and 30,000 jobs in South Carolina. And I remember that site. Flying for Delta Airlines, I used to fly over it all the time. And these car factories, huge, lots of jobs, lots of money. Nebraska did not have the sites or infrastructure readily available in 1992. And we, as a state, are still failing potential investors both within and outside the state by limiting the use of these funds to transportation improvements alone. I see LB600 as a tool in the economic development toolbox communities across the state can use to leverage and attract private business and drive economic growth. I appreciate the committee's time and attention. I'm open to working with the committee and the Department of Transportation if we need to make any changes to the bill. Thank you.

**GEIST:** Thank you very much. Are there questions on the committee? Yes, Senator DeKay.

**DeKAY:** Thank you. Thank you, Senator Lippincott. Did I hear right in the first part of your testimony that so far there's been a little over \$6 million spent and the return on it through economic development has been a little over \$16 million?

**LIPPINCOTT:** Transportation Act provided a \$20 million cap. It will sunset in 2033. There's approximately \$13.5 million that the Nebraska DOT can continue to appropriate.

**DeKAY:** All right. Thank you.

**LIPPINCOTT:** Yep.

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**GEIST:** Any other questions? May I ask you a question just so, conceptually, I kind of understand what you're talking about. So you're looking at large plots of land and just supplying those with sewer and water and then hoping that those will be occupied by some incoming company that would see that as prime land for whatever their business is. How do you know when maybe-- how do you know how much infrastructure to put there?

**LIPPINCOTT:** Yep. I think somebody else will testify about that. But I can tell you there is a business on the west side of Grand Island. There's a lot of so-called blighted land which is not developed. And if we run roads and sewer and water and electricity out to that part of the city, there's a business on the west side of the city that can-- they could employ an additional 1,000 people in the Grand Island area almost as soon as that area is serviced with infrastructure upgrades.

**GEIST:** Got you. So it's not necessarily someone from outside the state, which was kind of what I was thinking, you're trying to lure people into the state--

**LIPPINCOTT:** Correct.

**GEIST:** --but you're looking at serving the needs of people within the state.

**LIPPINCOTT:** Correct.

**GEIST:** OK.

**LIPPINCOTT:** And it could actually be both.

**GEIST:** OK.

**LIPPINCOTT:** Uh-huh. Like I cited the BMW plant--

**GEIST:** Um-hum.

**LIPPINCOTT:** --they were looking at Nebraska. Didn't take us up on it. So it could be both businesses in the state and from outside the state to move in, but it's jobs is the result.

**GEIST:** Um-hum, and people.

**LIPPINCOTT:** Yep, people. Correct.



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**GEIST:** Thank you. Any other questions? I don't see. Are-- do you plan to stick around for closing?

**LIPPINCOTT:** Planning to do what?

**GEIST:** Are you planning to stick around to close?

**LIPPINCOTT:** Yes.

**GEIST:** OK. Thank you.

**LIPPINCOTT:** Thank you.

**GEIST:** Any proponents for LB600? Welcome.

**RIEPE:** Thank you. Thank you, Chairman Geist, and good afternoon, members of the Transportation and Telecommunications Committee. For the record, my name is Merv Riepe. That's M-e-r-v R-i-e-p-e. I represent District 12, which consists of southwest part of Omaha and the city of Ralston. I am here today in support of LB600 and thank Senator Lippincott for introducing this bill. LB600 by adding the eligibility of infrastructure improvements for cities of the first and second class, such as Ralston, whom I represent, would greatly enhance the appeal for redevelopment projects. We have seen how the Economic Development Opportunity Program has benefited the areas of which projects have been completed, creating jobs and creating statewide economic benefits projecting in the program's sixth year, as noted by Senator Lippincott, up to \$16.2 billion. Some people around this table know that I'm a fiscal hawk so I do want to add that the Nebraska Department of Economic Development has indicated no fiscal impact from LB600. Also, the Nebraska Department of Transportation has stated a minimal fiscal impact, and I'm not sure what they mean by, by minimal, but that is their statement. I believe the great community of Ralston could benefit from participating in the Economic Opportunity Program by joining the cities and villages who have used those grant funds. We encourage population growth, new industries encourage and stimulate the growth of quality jobs and strengthen permanent investment in our communities. Ralston is a thriving small community in the shadow of Omaha. The Economic Opportunity Program is a part of building on past successes in our city and also a part of our continuation as a vibrant community. Thank you, Chairman Geist and the members of the committee. I would answer the questions that I could.

**GEIST:** Thank you. Thank you for being here. Are there any questions on the committee? Senator Cavanaugh.

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**M. CAVANAUGH:** Thank you. Just like to say from one fiscal hawk to another that I--

**RIEPE:** Yes.

**M. CAVANAUGH:** --appreciate your fiscal restraint.

**RIEPE:** Well, thank you.

**M. CAVANAUGH:** Thanks for coming.

**RIEPE:** I'm proud that you've come along as a fiscal hawk.

**M. CAVANAUGH:** Well, I think we've, I think we've come along together.

**RIEPE:** Yes. Yes, we have. Thank you.

**GEIST:** Any other questions on the committee? I don't see any. Thank you for your testimony.

**RIEPE:** Thank you.

**GEIST:** Any other proponents? Good afternoon.

**MATT SPENCER:** Good afternoon, Chairwoman Geist, members of the Transportation and Telecommunications Committee. My name is Matt Spencer, M-a-t-t S-p-e-n-c-e-r. I'm the compliance director for Hornady Manufacturing Company in Grand Island. I'm here to speak in support of LB600 as it relates to investments in infrastructure improvements, infrastructure improvements for cities and villages in Nebraska. Hornady Manufacturing Company was founded in 1949 in a rented garage on Third Street in Grand Island. And since that time, the company has grown to employ over 1,100 people on three campuses in the Grand Island area and distributes its products to over 80 countries around the world. A significant contribution to that growth was the acquisition of property on the former Cornhusker Army Ammunition Plant west of Grand Island. The property was purchased from the Grand Island Economic Development Corporation in 2011. And since that time, Hornady has extensively developed the site, investing nearly \$70 million in manufacturing facilities, warehousing, natural gas service, communications, infrastructure, potable water systems and wastewater infrastructure. That site alone now employs over 600 Nebraskans, and the company has plans to expand further at that location. Unfortunately, despite the significant investment that Hornady has made in potable water and wastewater infrastructure on that property, including six wells and five wastewater lagoons, we're

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at the point where the land occupa-- sorry, the land area occupied by wastewater infrastructure limits our ability to expand further. Expansion plans which are already in the design and development stages would require three more lagoons and two more wells and would essentially cap any further growth at the site. Construction of municipal sewer and water infrastructure, which would be possible through the fund-- through funds-- funding such as that provided by LB600, would enable Hornady to reclaim at least 20 acres of land which could then be utilized for expanded manufacturing activities and new jobs. Additionally, the former Cornhusker Army Ammunition Plant, as well as the corridor linking it to Grand Island, is well suited for development by other industries. It features an existing rail network, including links to both the Burlington Northern Santa Fe and Union Pacific rail lines and provides easy access to Interstate 80. Infrastructure improvements to this site would encourage further development and job creation. LB600 is a tool which can make that happen and I respectfully ask for your support of this bill. Thanks and I would be happy to answer any questions.

**GEIST:** Are there any questions on the committee? Senator Brandt.

**BRANDT:** Thank you, Chairwoman Geist. Thank you, Mr. Spencer, for your testimony today. So this is part of the old Ammunition Plant, right?

**MATT SPENCER:** Um-hum.

**BRANDT:** Is that an EPA waste site?

**MATT SPENCER:** It, it was. It is. It's been cleaned. It's been-- yeah. But it was mainly a water contamination issue. And there are, I believe, at least five decontamination wells out there. The one on the property we purchased hasn't operated since, I believe, 1998 because the water was determined to be cleaned up.

**BRANDT:** So, I mean, if you were-- if we developed this or the state invests money in this, is this the best benefit? I mean, if you were moving to Grand Island would you locate on a EPA waste site? Is that a fair question?

**MATT SPENCER:** Well, we did. I mean, we purchased a site and we have no-- actually the potable water resource from that site is some of the cleanest water we've seen. And we have no trouble meeting any, any drinking water requirements. The, the only restrictions on that entire area that I'm aware of is there's still a restriction and no residential construction on that former Cornhusker Army Ammunition

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Plant. But aside from that, I don't-- I'm not aware of any restrictions or issues.

**BRANDT:** So this would be an industrial commercial would be the only thing that could build here.

**MATT SPENCER:** I believe so.

**BRANDT:** All right. Thank you.

**GEIST:** Any-- oh-- I-- no questions. OK. Is there any other--

\_\_\_\_\_ : [INAUDIBLE]

**GEIST:** --proponent? That's all right. Welcome back. It's good to see you.

**SUE CRAWFORD:** Thank you. Thank you. Thank you, Chair Geist and members of the, of the Transportation and Telecommunications Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d. I am currently the city administrator of the city of York and also in that role I'm also an executive board member of the York County Economic Development Corporation. So I'm speaking as a proponent on this bill on behalf of both the city of York and York County Economic Development Corporation. I'm testifying today not with any specific set project in mind. So my job today is to help you understand how economic development works in rural communities and why the changes in this bill are so important to improve that process. One, I want to emphasize, as others have, that rural communities are competing for projects and we're competing for projects, it's not just about York, it's also about Nebraska because we're competing for those projects also from-- with communities in other states. So I can't overemphasize the importance of proactive infrastructure development. We have minimal funds for that in York, but we worked hard to invest as much as we can in that direction. And in just this last year, we filled our last prepared lot. So you're asking like, how do you know who's coming? So we have infrastructure that goes to the property line, right? And in a rural community it often is at the edge, right? So you need to expand infrastructure to the property line. And so we had, our last, we had four just in one year. So that's how fast they went. And one was an international company, one was a company that was recruited from another state, and then the other two were local companies who expanded. And as you know, an important part of economic development is helping the people who are already invested in Nebraska expand. And so the infrastructure also helps with that kind of development and

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that's important to bear in mind. It's not just trying to bring new people in. So three main points: One, the bill, as you've already heard, expands the infrastructure that can be covered, and that is very important in rural communities. We usually do need to expand those water and sewer lines as well as roads and bridges to the property that we expect to be developed. The most important argument, I feel, is that LB600 allows for proactive infrastructure development. And again, I can't overemphasize how important that is. You don't get on anybody's radar unless you have a lot ready. So it's not enough to have somebody interested and then go get money. You need to have basic infrastructure at the site to be competitive and that's very important. That's what this bill would allow. This bill also ties that to, it ties that to redevelopment plans. And so it ties that to a mechanism that has taxpayer accountability and I think that's very valuable. Those redevelopment plans are developed with public input by-- and approved by elected officials. So there is taxpayer accountability to the proactive part of this tool. And other funds are not readily available for this kind of infrastructure expansion. So York just received less than \$1.4 million in ARPA funds and we're grateful for that. And we're doing great things with water quality and emergency response with that money. But less than one and a half million won't build very much, very many roads and bridges or major infrastructure developments. The Bipartisan Infrastructure Law has a couple of grants for small communities like York, and we were very fortunate to receive one of those. But those are very narrow grants. So the grant that we received is just for pedestrian infrastructure and sustainability. And that's the only-- that's why we got it because we entered that kind of project and there were only two communities in Nebraska, York and Lincoln, that received any of those funds. So very-- and theirs is also a public transportation project, so. And then the other main grant that I know of is a Safe Streets grant, and that is really about infrastructure projects that reduce fatalities. So it's not the kind of infrastructure development you would want to do to attract greater investment. So I encourage your support for this bill to help our rural communities in the state of Nebraska compete and keep economic development. Thank you.

**GEIST:** Thank you for your testimony. Are there any questions on the committee? No, it sounds like great things are happening in York, though.

**SUE CRAWFORD:** Thank you. Come on out.

**GEIST:** That's exciting. Any other proponents?

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**LYNN REX:** Senator Geist, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. My mission today is to try to describe a little bit about why we are in such desperate need of infrastructure funding. And one of the reasons for that is basically based on the handout that you're getting right now, which goes through this series of cuts that have happened over a period of years to municipalities to the point that in basically 2011, all of our funds were taken in terms of, quote, what was then known as state aid. And just a little brief overview, because I know when you think of state aid, you think of TEEOSA, these big massive funds which are legitimate and obviously need to be going to our public schools. No question about that. The concern is, though, what is state aid from municipalities? And just very briefly, an overview, and I know Senator Moser is aware-- well, well aware of this. It's only five, our, quote, state aid was based on only five exemptions: households, intangibles, livestock, farm equipment, and business inventory. And the Legislature then came back and made some adjustments on the sales tax. Those were all legitimate exemptions. There's no question about that. But the dilemma is that the Legislature committed to local governments that there would be a dollar-for-dollar offset. That never happened. So basically, 1967, households and intangibles were exempted, \$12.6 million for a government subdivision fund, that later then was merged with what became the personal property tax relief fund when the livestock, farm equipment, and business exemptions were totally in play. And when that happened, local governments in this state lost \$250 million. That's not just in valuation, that's actual dollars lost. And if you extrapolate back in 1978 and 1977 when LB518 passed, what did that mean for local governments? And back then, the Farm Bureau, the new car dealers, and others were saying not to worry, there will not be a shift. We're not going to take your broad base of property taxes and narrow it down so the only people left in the middle will have these high rates, because what we're going to do is give you a dollar-for-dollar replacement. And of course, those exemptions were important because our ag people, our business people, needed to compete with surrounding states. But then Governor Exon said, you know what, that's-- we can't afford it. So we're going to cap it at \$70 million. The Legislature never put an indicator on it so they couldn't track the valuations. So in 1980, the Legislature passed LB882 to say, OK, well, what we're going to do is we're going to call the local government fund, we're going to merge those two funds together. The governmental subdivision fund at \$12.6 million, the personal property tax relief fund of \$70 million, only \$70 million, and we're going to say to that \$82.6 million, we're going to call it the local government

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fund. The Nebraska Supreme Court again said the Legislature didn't do it right. It didn't track those valuations so it's a frozen class. Then what happened in 1982 is that John DeCamp said with passage of LB816, we're just going to call it state aid. And so state aid, as you may know it, for municipalities and for counties, too, they lost theirs, as did, as did the NRDs, reflects that. We used to have-- in your handout, you'll see we had a Municipal Infrastructure Redevelopment Fund. And as mayor of Columbus, Senator Moser, you may remember that affectionately as MIRF, and that's-- was a fund that also was eliminated. And the Legislature back in the day when the fiscal crisis was hitting you said to local governments please share in these cuts. And when our economy recovers, we will reimburse you. We will do something to try to offset that. And from the municipal side, there has never been one penny reimbursed in terms of that lost base. So we're here today to say LB600 is extremely important. This is an important piece of the puzzle to try to assist municipalities with those types of businesses and locations that will really just, again, leveraging those funds to basically help build a base and also provide important incentives for businesses to locate around Nebraska, because it gives us an opportunity as municipalities to do that. With that, I'm happy to answer any questions you might have. We really appreciate your time today and we really hope that you'll support and advance LB600.

**GEIST:** Thank you for your testimony. Are there any questions on the committee? I do not see any.

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

**GEIST:** Thank you.

**LYNN REX:** Appreciate it.

**GEIST:** Good afternoon.

**RICK HOPPE:** Good afternoon, Senator Geist, members of the committee. I am Rick Hoppe. That's H-o-p-p-e. I'm the Ralston City Administrator. I want to thank you for your time today. I had hoped to talk a little bit about the Ralston Hinge project, the economic development project that's really changed the face of our city. We'll get to that if time permits. But I did want to clear up a couple of things I think have come up during the course of the conversation. First and foremost, I want to reassure our friends in the Department of Transportation, as well as the senators on this committee, that we are not setting our sights on the gas tax dollars in this fund. We recognize those dollars

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play a critical role and have a use that's very important to us. Our goal was to try to find some other avenues to get money into the Transportation Infrastructure Bank Fund. And you'll note in LB600, there's language there suggesting that we could take other sources of dollars into that fund, which we hope then would go towards the types of things that you've been hearing about in previous testimony. So we're hopeful that if the Legislature decides that perhaps it's time to divert some funds to the rainy day fund, some of the federal money has been coming in, some of those one-time places may be a really good thought to have it in the Transportation Infrastructure Bank Fund because the return on investment that we're able to generate in terms of economic development. The other thing I want to mention is Senator Geist had asked how do you know how much infrastructure you need? It's a great question. And that's why LB600 ties the fund to the community development law that requires a redevelopment plan. So we have to go through a process and set forward exactly what is going to be in this redevelopment area, including an estimate of the infrastructure which typically engineering firms come together and put together for us. In our particular case, we are attempting to do the Hinge project that has several purposes. But I think one of the big things for us is it's about a \$200 million development when it's all said and done. If you consider that Ralston's entire valuation is about \$500 million, this is a pretty darn important project to us. In the packet, there is a slide in there that talks about a business incubator. We've been very fortunate that what we're trying to develop here is kind of an ecosystem for entrepreneurship and a business incubator has been a key part of this and they have been successful in attracting and nurturing a couple of start-up firms that are really poised to take off, Event Vesta and Retail Aware. In fact, Event Vesta has been so successful as of recent-- late that they're actually working with Major League Baseball on their product that does events through websites. Those are the kind of groups that don't necessarily locate in Nebraska that typically go to much bigger places if you aren't able to put together the kind of development projects that we're seeking to put together here in the Hinge. The young tech start-up folks, if you want to keep them here they got to have a place to live, work, and play kind of in a contained unit and that's what's Hinge seeks to do. The challenge we're facing as you go through this packet is we have a number of properties, including a dilapidated former shopping mall that has a failing parking deck, as well as dilapidated industrial and storage spaces that form literally a physical barrier between the current development in our downtown and 72nd Street in the metro, which is everyone knows a pretty important thoroughfare. If we're able to break down that barrier and acquire those properties, a lot of it's going to



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have to be commercial in nature and we're going to have to provide access to those commercial properties. Right now, on the southern portion of these properties is bounded by a street called Burlington that runs out at 74th. We need to take Burlington to 72nd Street in order to activate these properties, give them the proper access, and allow us to complete our \$200 million plan. Burlington would have to go over a creek to do that so it also requires a bridge. But we really think this is a once-in-a-generation opportunity to get something accomplished and we know other communities are facing issues like this and that expanding the ability of this fund to work with communities like ours would be a real boon not only to Ralston, but to the other communities in our state. Thank you.

**GEIST:** Any questions from the committee? I don't see any. Thank you for your information and your testimony. Any other proponents? Are there any opponents of LB600? Are there any wishing--good afternoon.

**VICKI KRAMER:** Good afternoon again, Chairman Geist and members of the Transportation and Telecommunications Committee. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of the Nebraska Department of Transportation and I'm here today to testify in opposition to LB600. While I understand the intent of LB600 as stated by those testifying before me, I feel it necessary to expressly state the department's concerns on the proposed amendments to the Transportation Innovation Act of 2016, also known as TIA. LB600 alters the Economic Opportunity Program, which seeks to attract and sustain economic growth in Nebraska through grants provided for transportation improvements that connect prospective business locations to the state's transportation network. The current program is focused on last mile projects on the public transportation system. The program is partially funded by gas tax and has proven to be a successful component of Nebraska's approach to economic development. My concern with LB600 is that the proposed language expands the scope of eligible projects beyond those with a transportation nexus. It also creates potential issues with funding by bringing state, federal, and private funds into the Transportation Infrastructure Bank. The department has worked hard to streamline the program to be agile and usable for communities by limiting it to state funds. I'm concerned with creating a precedent for the department being required to fund infrastructure site development projects through funds intended for transportation. I hope to work closely with Senator Lippincott and other supporters and Department of Economic Development to determine how best to support the intent of further investment in infrastructure to support economic development. I caution the committee in supporting legislation that takes the transportation nexus out of the Economic Opportunity Program

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that is funded by the Transportation Infrastructure Bank through the Transportation Innovation Act. The department believes LB600 alters the intent of the EOP significantly enough that the creation of another program and fund is warranted. With that being said, I'd be happy to answer any questions.

**GEIST:** Yes, are there any questions from the committee? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. My understanding was there's no funds left there, is that right?

**VICKI KRAMER:** So there are funds left in the transportation innovation. So, yes, there are funds left in the program. There are not funds left that were pushed for County Bridge Match Program and I think that's the conversation we had. We only expended about \$6.5 million on the Economic Opportunity Program so we do expect, expect to expend more funds there.

**BOSTELMAN:** OK. Thank you.

**GEIST:** I just have a quick question. If this were not funded through the gas tax, would that solve some of your issues?

**VICKI KRAMER:** So it, it solves one of them. The other issue is right now we just have the state money going into it. And so if you commingle potentially state money, federal money, and private money into one fund, my concern is, is you tie strings to it and we now make it harder for communities to use those funds.

**GEIST:** Understood. OK. Thank you.

**VICKI KRAMER:** Um-hum.

**GEIST:** Any other questions? I don't see any. Thank you for your testimony. Any other opponents? Are there any who wish to testify in the neutral capacity? Senator Lippincott, you are welcome to close. And as you are coming up, I did receive two letters in support. And that's it, you're welcome to close.

**LIPPINCOTT:** I just appreciate your consideration on LB600 and I have nothing else to add.

**GEIST:** Thank you. Are there any questions from the committee? I do not see any. Thank you.

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**LIPPINCOTT:** Thank you.

**GEIST:** With that, we will close the hearing on LB600 and we will move to LB449. Senator Brandt.

**BRANDT:** So is this the last bill for the year?

**GEIST:** You are it. You're standing between us and home.

**BRANDT:** You know, I was the first one with my Czech license plates and we're going to close it out with bridges.

**GEIST:** That's right. That's-- you are the bookends of our committee hearings.

**BRANDT:** We want another win. That's what we're looking for here.

**DeBOER:** Is this the last hearing of the session?

**GEIST:** It is. I believe so, yes.

**FREDRICKSON:** Oh, Senator Brandt.

**BRANDT:** Sorry.

**GEIST:** You're the bookends.

**DeBOER:** Beginning and ending.

**BRANDT:** Here we go.

**GEIST:** Yeah.

**MOSER:** Thanks for being Mr. Last.

**BRANDT:** Yes, somebody has to do it. Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. I am Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I'm bringing LB449, which would extend the County Bridge Match Program to 2028, as well as appropriate dollars to the program. The County Bridge Match Program has been a lifeline for communities across Nebraska, allowing counties to replace or repair bridges that have been deemed structurally deficient. With the program set to expire on June 30, 2023, it is vital that we extend it to continue providing vital infrastructure support to our state. The County Bridge Match Program has been instrumental in improving the

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safety and reliability of bridges throughout Nebraska. Since its inception, the program has provided grant awards to counties to replace and repair bridges that have been deemed structurally deficient. These bridges are a critical component of our transportation infrastructure, connecting communities and allowing commerce to flow. The extension of the program is critical to ensuring that counties can continue to access funding to replace and repair their bridges. The proposed extension would provide an additional five years of funding for the program, allowing counties to plan and execute long-term infrastructure projects. To fund the program, the bill would create the County Bridge Match Fund. The amendment I filed AM84, cleans up the language in this section. The Legislature would appropriate \$40 million to the County Bridge Match Fund over the five-year lifespan of the program. The funds would be used for administrative costs in the program, as well as grant awards to counties who apply to NDOT for the replacement and repair of bridges, which have been determined to be structurally deficient by NDOT. NDOT will decide the amount awarded to each grant up to 55 percent of the cost and establish a weighted scoring system process based on the number of qualifications listed in LB449. This will ensure that the funds are distributed equitably and that the most critical infrastructure projects receive funding. The County Bridge Match Program has been helping Nebraska counties since its creation and it's crucial we can continue this program. With that, I would be happy to answer any questions the committee may have.

**GEIST:** Are there any questions from the committee? Yes, Senator Moser.

**MOSER:** Greetings to your committee. Your bill and the bill that I introduced earlier kind of do the same thing with different amounts and we'll see what kind of rousing support we get here. But--

**BRANDT:** Sure.

**MOSER:** --maybe we can get together and work on something if we get somewhere with it.

**BRANDT:** More than happy to work with you on, on--

**MOSER:** Yeah.

**BRANDT:** --combining these, particularly if you wanted to prioritize it.

**MOSER:** What's that?

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**BRANDT:** Particularly if you would like to prioritize this.

**MOSER:** No, I'm going to prioritize a different one. Sorry. Maybe the committee will--

**BRANDT:** OK.

**MOSER:** --since we're such good guys.

**BRANDT:** All right.

**GEIST:** Senator Cavanaugh.

**M. CAVANAUGH:** Thank you. Well, first, is this the definition of the first shall be the last and the last shall be first?

**BRANDT:** I believe so, yes.

**M. CAVANAUGH:** Why a sunset? Do we need a-- I mean, I guess if we have a pot of money, do we need to have a sunset? Because it's-- I kind of remember maybe this was under Moser's bill that at the end because there was a sunset we-- there was kind of like a hurry up to get-- to distribute funds and maybe I'm misremembering this, but--

**BRANDT:** Yeah, my understanding is the program is actually out of money and it hasn't quite sunset yet. So \$8 million a year, five years, and that's why we, we extended it to the date we did if you look at the fiscal note.

**M. CAVANAUGH:** OK. I guess I'm just wondering if we-- if we're appropriating a sum of money to the cash fund, do we need a sunset on it?

**BRANDT:** That is a great question.

**M. CAVANAUGH:** OK. Well, thank you. Appreciate that.

**BRANDT:** We'll see what we can find out.

**GEIST:** Any other questions? I have one.

**BRANDT:** Sure.

**GEIST:** And it's on the fiscal note and it says the Department of Transportation indicated \$8 million in estimated expenditures for fiscal year 2023-24 and '24-25. But ahead of that, it says the bill

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states the intent to transfer \$68 million from the General Fund each year beginning with '23-24.

**BRANDT:** I think that's, I think that's outdated. Initially, before we put the amendment in, there was a--

**GEIST:** I got you.

**BRANDT:** Yeah,--

**GEIST:** I'm sorry.

**BRANDT:** --they, they had, like, \$40 million and, and it was kind of messed up. So I think--

**GEIST:** And I should have dug further and looked at the amendment.

**BRANDT:** --that that's, that's a, that's a carry over, I believe. I'm sorry we did not catch that. Thank you for bringing that to our attention.

**GEIST:** Oh, no, that's fine. I, I actually am not sure I have the amendment, but that's just probably me. But, OK, good. Thank you for clarifying that because I couldn't add it up right.

**BRANDT:** Right.

**GEIST:** Any other questions? Seeing none, I'm supposing you're going to stick around to close.

**BRANDT:** Yes.

**GEIST:** Any proponents for LB449? Good afternoon.

**JON CANNON:** Good afternoon, Chairwoman Geist, members of the Transportation and Telecommunications Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of the Nebraska Association of County Officials, also known as NACO, here testifying today in strong support of LB449. Thanks to Senator Brandt, we certainly appreciate him bringing this bill. I, I will note that in the NFL draft, the, the person that's picked last is, is dubbed Mr. Irrelevant. I can, I can assure you that no one is more relevant to us today than Senator Brandt is. So with that in mind, I will continue on. And, and to address the question you had, Senator Geist, you know, we, we would certainly love \$68 million per year--

**GEIST:** Per year.

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**JON CANNON:** --but we understand that that's not likely to happen and, and, you know, we're, we're very happy with, with what we can get. There are 15,043 bridges in the state of Nebraska, that makes us sixth-- that are over 20 feet, that makes us 16th in the nation. Of those 11,059 are on the county system and 1,780 of those on the county system are considered structurally deficient. That's 16.09 percent of the bridges on the county system, 216 are closed. Since the inception of the Bridge Match Program, 370 deficient bridges have been repaired, replaced, or removed. And I will note also that 66 of 70 applying counties have been approved for a, a grant of funds. Simply put, this has been a terrific program for counties. We support this. When I first got to NACO, I, I thought everything was all about property taxes and everything and Larry Dick said this is probably one of the most important programs that we have going. So I-- thus, educated that's, that's what I'm bringing to, to you. The folks behind me are going to tell their story. I certainly invite you to ask them lots and lots of questions. And of course, I'm happy to take questions as well. I will note this is a priority for the NACO board. And with that, I'm happy to take any questions that you might have.

**GEIST:** Thank you for your testimony. Are there any questions from the committee? Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. I should have asked Senator Brandt, but I'll ask you instead on this one. Does this include box culverts?

**JON CANNON:** I, I believe it does, but I'll let the folks behind me clarify that.

**BOSTELMAN:** Yeah, I just-- that's what I just kind of--

**JON CANNON:** Sorry?

**BOSTELMAN:** Yeah, I was just kind of going through that. Maybe I missed it. I don't know if it has our box culverts in there or not. OK. Thank you.

**JON CANNON:** Yes, sir.

**GEIST:** Any other questions? I don't see any. Thank you for your testimony.

**JON CANNON:** Thank you very much.

**GEIST:** Any other proponents?

**DENNY WILSON:** Good afternoon.

**GEIST:** Good afternoon.

**DENNY WILSON:** Some of the discussion has already been had here, so I'll try to keep it brief on it. Good afternoon, Chairperson Geist. Who I happen to know the Geist family, at least in Omaha, so I feel like we have some, some kind of, of loyalty there. My name is Dennis Wilson. I go by Denny, D-e-n-n-y W-i-l-s-o-n, and I'm the Sarpy County engineer. In that job, I am essentially the director for our Public Works. I've served on the county, county road and bridge match since its inception about seven years ago. So I've had a good learning lesson throughout that whole prospect that we have created this CBMP. I know as you mentioned the dollars for this we're looking at \$8 million annually for five years. It's essentially going to be an extension of what we had done in, in the past. The grants go to each county that has been selected by the NDOT, so that's how we do decide whether or not we're going to have bridges selected and Sarpy County is certainly one of them that has reaped the benefit on that to some degree. The objective of the program itself was designed to create a process that empowers and encourages local partnership to promote innovative methods. I might note to Senator Bostelman that we have oftentimes removed a bridge and replaced it with culverts. That saves a lot of money for everyone on the maintenance side of things. We've accomplished a lot of objectives with this and that's why I'm supporting this LB449, I think it's one of the, the most successful processes I've ever been involved in in my 42 years as a professional engineer. It has done what it was supposed to do. It is rectifying some of the issues for bridges that can collapse instantaneously due to the fact that they're fracture critical. The why and how is, is simple, that was just mentioned again by the, by the previous speaker. But one of the things I did want to mention regarding that is if you look at the 370 bridges that we had as part of this program over the last seven years, and you divide that into the 1,780 that we have as still existing with structural deficiencies, it would take about another 30 years to catch up with that. And that's why we're hoping that we can at least keep extending this program so that we will be a success with, with that in the end. I would also suggest, if you want to take a look at the CBMP project summary, that's at the bottom of page two. And then the other, I think, even more, even more obvious is the local bridge section on the last page, page three, shows how many local bridges we have in the state of Nebraska. And then as you look over to the eligible section, that means they are all, these red dots are all considered to be structurally deficient. And with that, I'd be happy to answer any questions.



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**GEIST:** Wow. Thank you. Thank you for the information. Are there any questions from the committee? I have one. Let's say this does not go through, how does that affect your, your county moving forward?

**DENNY WILSON:** Sarpy County, as you know, has been growing in tremendous quantity. We already have a sewer going in which is going to open up about a third of the county toward the south side of the Platte River. As that develops, we're going to see, again, many, many more developments along that area. However, virtually every road that is south of the major streets and developments that are going on now, they're gravel and a lot of those gravel roads as they get closer and closer to the, the creeks and the rivers on-- then the Sarpy County boundaries, those are going to cause main-- I would say maintenance problems to some degree if we can repair it. But even more so, replacing bridges at that location. We search funds as best we can. We're currently topped out as far as bonds are concerned, but with growing population we will be able to find some additional money in that. But you can see, obviously, with those kind of conditions happening that it will be a problem for us in the future if we don't, again, get funding to help out on this.

**GEIST:** So this local and eligible, which that eligible is pretty red,--

**DENNY WILSON:** It is.

**GEIST:** --do you anticipate that that would just grow, that there would be just more red or do you think you'd be able to stay up with where you're at?

**DENNY WILSON:** We, we should be able to keep it, keep it moving. As we fix the, the jobs now with the structures that are deficient and we are typically putting in things that don't meet or don't have the, the structural deficiency aspect of it. We can put in a culvert, as mentioned. We can remove the, the bridge all together and there's just any number of ways we can use now that new bridges have a number of ways to make sure that those structures stay put and are in good condition. So hopefully that's something that we can eliminate with each one of these and not have to deal with those again. We do, of course, have the 50-year-old bridges that was mentioned earlier as well.

**GEIST:** OK. Thank you. Any other questions? Thank you for your testimony.

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**DENNY WILSON:** And we appreciate your willingness [INAUDIBLE]. Thank you.

**GEIST:** Good afternoon.

**ANDREW DUNKLEY:** Good afternoon, Chairman Geist and members of the Transportation and Telecommunications Committee. My name is Andrew Dunkley, A-n-d-r-e-w D-u-n-k-l-e-y, and I'm with the Nebraska Farm Bureau and as-- I'm here today in support of LB449 on behalf of the Ag Leaders Working Group. And I thought as the last, the last time that ag leaders were testifying for you this year, I'd like to quiz you all on the members of the Ag Leaders Working-- no, I'm kidding. Yeah, here on behalf of-- the ag leaders consist of Nebraska Cattlemen, Corn Growers, Farm Bureau, Dairy Association, the Soybean Association, Pork Producers, Wheat Growers, and Renewable Fuels Nebraska. We are so excited about LB449 as it provides further resources to counties to maintain upkeep for their bridges. We are an industry that relies on roads and bridges to produce and transport our products. As most of our products are produced in counties with few resources, programs like the Bridge Match Program help. It ensures that our state's largest industry and our nation's third largest agriculture complex continue to thrive and drive our economy. This is an investment in rural Nebraska, ensuring that the state understands the importance of those that live in all 93 counties. There is a reason that this program has been so successful since it was created and that, and that is because it addresses a, a need of counties. And, and like Senator Brandt said we, we, we need further funding of, of this program because the, the money has been used up it's so popular. With our state's overreliance on property taxes, the call for budget, budget belt tightening is high. Food production is about the transportation distribution, warehousing, and logistics of inputs and outputs to and from the farmer ranch. Bridges and roads are critically important to that network. The state's assistance through the County and Bridge Match Program will help immensely in keeping the fabric of our agricultural complex together. This is and should continue to be a quality program and useful tool, tool for counties to use to maintain the important infrastructure we rely on every day. And, Senator Moser, we, we testified and we supported your bill as well to, to extend the, the sunset of this program and we, we feel that we encourage its expansion even further. So in closing, we, we encourage your support of LB449. I'm open to any questions.

**GEIST:** Thank you for your testimony. Any questions from the committee? I do not see any.

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**ANDREW DUNKLEY:** Thank you.

**GEIST:** Thank you. Good afternoon.

**WADE SLUKA:** Good afternoon. Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Wade Sluka, W-a-d-e S-l-u-k-a. I'm here from Fillmore County, where I serve as the board chairman for the Fillmore County Board of Supervisors. I'm here testifying on behalf of the board. I have served on the board for over six years now, and it's truly been eye opening how many dollars are needed every year for just maintenance of roads and bridges. And then if you add in the costs of necessary repairs and replacement of bridges and culvert projects, it can become overwhelming when trying to balance a budget. Just this past August, we found out that Fillmore County had a mile-- actually just two miles from my house that had a-- has two bridges on it, and neither of them could handle the harvest traffic. They were determined to be only able to handle six tons. Without fixing at least one of these two bridges, we had farmers that would have been landlocked and would not have been able to haul their grains from the field. I've got multiple examples of bridges that have gone out. Last-- these three examples all happened within, I think, about two months of each other. We had an elderly lady south of, south of Ohioa. The bridge went out right by her house and the only other option she had to get out was a dirt road. Well, any kind of rain that's unaccessible and this would limit, you know, emergency services to her address as well. Just this year in harvest, a neighbor of ours, the weight of their tractor and grain cart crushed and broke and completely ruined a bridge. The fortunate thing on this one we were able to go in and take the bridge out, put a new culvert in, wasn't an extreme cost to the county but it was still, you know, \$10,000 project that we weren't expecting to have. The weight of farm equipment, in general, and the increase of farmers using semi-tractor trailers for hauling grain has only elevated the stress on these structures and I'm guilty of it just like everybody else, so. Fillmore County has applied for this program for five years. In that time, we have been selected for two box culverts. The two culverts bid out, one at \$139,000, and the other one at \$90-- \$93,000. These projects, projects were crucial to Fillmore County residents, landowners, you know, the taxpayers. The funding for LB449 is instrumental of the counties to keep roads and bridges open. The extension of the program is critical to ensuring that counties can continue to access funding to replace and repair their bridges. Thank you for your time and consideration today. I'll be happy to answer any questions you may have at this time.

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**GEIST:** Thank you. Are there any questions? I don't see any.

**WADE SLUKA:** Thank you.

**GEIST:** Thank you. Good afternoon.

**PAM DINGMAN:** Good afternoon. Good afternoon, Senator Geist and members of the Transportation and Telecommunications Committee. My name is Pam Dingman, P-a-m D-i-n-g-m-a-n. I'm a licensed engineer in the state of Nebraska and I'm the current Lancaster County engineer. Today, I'm testifying on behalf of my office, the Lancaster County Commissioners, and the Nebraska Highway Superintendents in support of LB449. This bill create-- creates dedicated funding for the very popular County Bridge Match Program, which sunsets this summer after seven years. The County Bridge Match Program created an extremely successful partnership with the Nebraska Department of Transportation and Nebraska counties for the shared goal of improving local bridges. For the first seven years, this partnership anticipates replacing 360 bridges and bridge-length box culverts, Senator Bostelman, which are culverts longer-- that span more than 20 feet. As you can see from exhibit one in the information I have shared with you, this program has helped many counties replace bridges across Nebraska. This program has reimbursed counties 55 percent of the cost of construction or up to \$250,000. The program reimburses counties 80 percent of the funding from the state at the time of the bid and the remaining 20 percent at the completion of the project. There are 1,014 bridges in Nebraska that are rated poor-- that are county bridges that are rated poor due to structural conditions. Exhibit two shows you county bridges that are rated poor. It is also important to note that there are 182 of these bridges that are currently closed, 12 of those are in Lancaster County. You can also see in exhibit three that there are many more county bridges that have been eligible for funding that are still waiting. Every year of the program, there have been more requests for bridge funding than bridges awarded funding. In addition, the first seven years of the program replaced many smaller bridges. You may note that there are different sized dots on exhibit three. The medium sized dots and the larger dots are larger bridges. The County Highway Superintendents are hopeful that with the larger bridges and current construction inflation, the maximum amount of reimbursement that is received from NDOT can be increased. The County Bridge Match Program has also encouraged counties to be innovative with their bridge design and bridge replacement. This morning, Lancaster County Engineering Department, along with our partners FHU Engineering, JJK Construction, and Valmont Industries, poured the concrete deck on a bridge in southwestern Lancaster County-- yes, Senator Brandt's district-- just

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one week after placing tub girder beams in less than 90 minutes. This innovative construction is the first in Nebraska and trimmed four to six weeks off the typical construction timeline for a bridge. This innovative project demonstrates Nebraska engineering, Nebraska construction, and Nebraska industry. Working with counties to replace these bridges improves farm-to-market routes, school routes, and creates local construction work and improves the lives of Nebraskans. Continuing this program allows the citizens of Nebraska to get to school or to work or to get their goods to market in a safe way on a reliable route. Restoring our rural bridges restores basic needs and resiliency to our rural communities. Thank you for your time this afternoon and for being our partner in infrastructure.

**GEIST:** Are there any questions on the committee? May I ask you one? This is hopefully, again, not a dumb question, but southeast Nebraska, there's a high concentration of bridges that are out or poor. Is there a water or topographical reason why those bridges, there's such a high concentration there?

**PAM DINGMAN:** Thank you for that question, Senator Geist. Nebraska really drains all to the, all to the south and east. And so as the rivers flow through Nebraska, there actually are four counties, three or four counties that don't even have a bridge by definition, by that 20-foot span definition. But as you get more eastern, you see Lancaster County, Fillmore County appear, and the counties around us that have a significant number of bridges. I know that we have about 300 bridges in Lancaster County. I know if we go to Saunders County, I think they have more, like, 500 bridges. And so we just become very-- and we have a lot of drainage ways to, to cross, so.

**GEIST:** OK. Thank you. Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. Thank you for your testimony. I guess my disappointment in the program has been, you know, you've worked on it for some time this-- as you said this was a very successful program. This is a program that worked for our county. This is the program that worked for our state, but yet DOT went ahead and let it end. Didn't come back to the body and ask how do we extend this? This, this is a program that works very well for us but DOT didn't come back. What part of the funding that was used previously, did that come out of tax-- the gas tax, do you know, part of it?

**PAM DINGMAN:** The pre--

**BOSTELMAN:** Funding source.

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**PAM DINGMAN:** --the previous source.

**BOSTELMAN:** Previous, yeah.

**PAM DINGMAN:** So if you look back at the Transportation Innovation Act, it, it was funding from, from the gas tax originally.

**BOSTELMAN:** Yeah, and that's part of my disappointment with having to go this route is that-- as I have talked to the director about this, is I pay taxes in my county, gas tax, and I'd expect those gas taxes to be used again. So maybe the director will come up and, and testify or we can have conversations later. But one thought is, is if, if we're-- if we need to fill a gap right now, if there's no funding, what, what is that gap? And then when can we pick up those county funds again? I don't know if you have any thoughts on those.

**PAM DINGMAN:** You know, when we talk about filling the gap, that was one of the reasons-- well, the first reason I knew I was last so I thought I should give you guys pictures and exhibits today just to keep everyone's interest-- that was one of the reasons why I wanted to show the need for the program, the number of bridges that are eligible for the program. I mean, I, I do think it's important that we continue [INAUDIBLE]. Lancaster County has received grants for seven bridges. The majority of those bridges have been replaced with box culverts, with the exception of the Valmont tub girder bridge, because that was just something that we felt we should try. It's been successful enough that we're going to look at two more bridges. You know, when we look at success of a program, we need to look at the innovation of it, too. And so when we look at the Valmont product, we're excited to have bridges that we can replace quicker. And we think as we go along, cheaper and more cost effective. And so I don't really-- I'm not really going to comment on NDOT, I know that-- and, and the Bridge Program, but what I would like to comment is, you know, a lot of times we, we wait until the end of the program to extend it. And I know from being the engineer that Mr. Cannon referred to that sits on the NACO board that we have been talking about extending this program for a couple of years. And so now, now it, of course, is, is urgent to extend the program. And, and I think that we need to focus on the success of the program.

**BOSTELMAN:** Yeah, I, I agree. I mean, it's-- when you have something that works, works very well you don't want to see it go away. So thank you.

**GEIST:** Yes, Senator DeKay.

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**DeKAY:** Thank you. Hey, looking at-- thank you for being here today and for the graphs and stuff-- exhibit one, I don't see-- you know, you got the different colored dots, what do they-- what does each of the different colors represent?

**PAM DINGMAN:** So thank you for asking me that question. Exhibit one was created directly from NDOT's website, and they actually have a dedicated page on their website to the County Bridge Match Program, and this is actually a screenshot, the color of the dots represents the year that grants were received for that bridge in the dot. And so if we were to sort it out, and maybe at the county if I had a little more high-end printer, you can see the difference better in the six colors--

**DeKAY:** Yeah.

**PAM DINGMAN:** --than you can see. But it is, it is really showing the variety across all quadrants and the county of, of bridge projects.

**DeKAY:** OK, that helps me out. I didn't know if it meant switching box culvert to the size of the bridge was indicated by color or not, but thank you for it.

**PAM DINGMAN:** Thank you.

**GEIST:** Any other questions? Yes, Senator Moser.

**MOSER:** So this Bridge Match Program is not your only source for fixing bridges, though, right?

**PAM DINGMAN:** That is correct.

**MOSER:** Yeah. So you get some money from the Build Nebraska Act, too, right?

**PAM DINGMAN:** We also do get some money in our highway allocation from the Build Nebraska Act, as well as bridge buyback money and, and highway buyback funds.

**MOSER:** OK. The-- but this would certainly be helpful.

**PAM DINGMAN:** That is correct.

**MOSER:** Yeah. OK. Well, we'll see how all that sums up, right, I was just curious, you know, if this is your last lifeline or if you're in. Because otherwise it's, like, \$15 million across the whole state under

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the Build Nebraska Act, and I don't know what that would get. Well, Lancaster County is a big county, so how many districts of state senators are there?

**PAM DINGMAN:** I think there's about six. Yeah.

**MOSER:** Because there are, like, eight or ten, right?

**PAM DINGMAN:** Yeah. I mean,--

**MOSER:** So--

**PAM DINGMAN:** --of course, when you look at Lancaster County, I have no jurisdiction over villages, incorporated villages, cities or, or the primary city located within the county.

**MOSER:** The money gets, some of it gets divided and not necessarily shared with you?

**PAM DINGMAN:** That's correct.

**MOSER:** Yeah. OK. Thank you very much.

**GEIST:** Any other questions? I don't see any. Thank you for your testimony. Any other proponents? Good afternoon.

**KATIE WILSON:** Good afternoon again. Good afternoon, Senators. My name is Katie Wilson, K-a-t-i-e W-i-l-s-o-n, and I'm the executive director of the Associated General Contractors of America Nebraska Chapter, and here today on their behalf in support of LB449. AGC Nebraska Chapter is a trade association of heavy highway contractors who perform highway, bridge, and municipal utility infrastructure work across the state. I have been in front of this committee previously in previous years, highlighting how critical the County Bridge Match Program has been in supporting rural transportation. It has also been extremely successful with its focus on collaboration between state and local government and innovative repair and replacement of county bridges and structures. The County Bridge Match Program has made progress in reducing the number of structurally deficient county bridges. However, there is more work to be done. And as of this year, all appropriated funds have been expended. The County Bridge Match Program has been an impactful program in addressing the safety and mobility of Nebraskans and would encourage your support of LB449. AGC encourages the committee's support because it does not only extend this important program, but also provides additional funding to continue its work.



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Thank you for the opportunity to testify. I'd be happy to answer any questions.

**GEIST:** Are there any questions on the committee? I don't see any. Thank you.

**KATIE WILSON:** Thank you.

**GEIST:** Any other proponents? Are there any opponents? Any opponents? Are there any wishing to speak in the neutral capacity? Good afternoon.

**VICKI KRAMER:** Good afternoon. Good afternoon, Chairwoman Geist and members of the Transportation and Telecommunications Committee. My name is Vicki Kramer, V-i-c-k-i K-r-a-m-e-r, and I'm the director of Nebraska Department of Transportation. I was not planning to speak today officially. The County Bridge Match Program, though, administered by the Department of Transportation, is not currently touching projects that are in my jurisdiction. But I did want to provide the opportunity to clear up a few things. The department deems the program very successful. We believe it's made a dent. We've touched 300 projects. We've expended the funds that we agreed to expend, and we've seen an impact through the counties. And we believe that that impact is positive, relationships have been built. We've created a criteria they can move forward. But I also want to draw attention to-- if you look at our financials, right now, there's about \$36 million that goes directly to cities and counties to fund their infrastructure, along with another \$7 million that's going out on the IIJA bridge formula fund. So I just want to make sure the committee has access to those numbers when they consider this bill. Be happy to answer any questions.

**GEIST:** Are there any questions? Yes, Senator Bostelman.

**BOSTELMAN:** Thank you, Chairwoman Geist. So is policy our responsibility or DOT's? Do we set policy here or does Department of Transportation set policy?

**VICKI KRAMER:** The Legislature sets policy.

**BOSTELMAN:** Thank you.

**GEIST:** Any other questions on the committee? I don't see any. Thank you very much. Are there any others who wish to speak in the neutral capacity? Seeing none, I have no letters for the record, and Senator Brandt, you are welcome to close.

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Transportation and Telecommunications Committee March 7, 2023

**BRANDT:** OK. To recap, it is one of the most important programs to NACO which represents all 93 counties. Sarpy County engineer, it's critical to the counties. Nebraska Farm Bureau, it's good for rural Nebraska. County supervisor from Fillmore County, it keeps the roads and bridges open. And county engineer from Lancaster County, they look at innovation here. They're a big county. So this Valmont tub girder bridge project is kind of a big deal from an engineering standpoint if this works out. It will replace bridges quickly and at a lower cost. And AGC came in as critical for rural transportation. With that, I would take any questions if there are any.

**GEIST:** Are there any questions on the committee? I'm going to ask you just a quick one. I should have asked one of the engineers and I apologize if you don't know.

**BRANDT:** Sure.

**GEIST:** What is the average cost of a box culvert? Do you know? Oh, I can ask later. Yeah.

\_\_\_\_\_ : I'll follow up with her.

**GEIST:** That's all right. I'll ask later.

**BRANDT:** We'll, we'll follow up and I can tell you in Jefferson County, typically they throw around a number of half a million dollars, \$250,000 to \$500,000--

**GEIST:** OK.

**BRANDT:** --depending on, on the length.

**GEIST:** On the length.

**BRANDT:** Yeah.

**GEIST:** And I know it's a length, it depends on that, but I was--

**BRANDT:** Right.

**GEIST:** --just curious about how far the \$8 million would go annually.

**BRANDT:** Right.

**GEIST:** So OK. If that's all the questions I see, that will end our hearing for--

**BRANDT:** Thank you.

**GEIST:** --LB449 and hearings for today and the year. Oh, praise God.