

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

**BOLZ:** [RECODER MALFUNCTION] so I think we'll go ahead and get started. I am Senator Kate Bolz, and welcome to the Appropriations Committee hearing. I'd like to start off by having the members do self-introductions, starting with Senator Erdman.

**ERDMAN:** Thank you. I'm Steve Erdman. I represent District 47, ten counties in the Panhandle of Nebraska.

**CLEMENTS:** I'm Rob Clements, District 2, Cass County and parts of Sarpy and Otoe.

**MCDONNELL:** Mike McDonnell, LD5, south Omaha.

**HILKEMANN:** Robert Hilkemann, District 4, west Omaha.

**WISHART:** Anna Wishart, District 27, west Lincoln.

**DORN:** Myron Dorn, District 30, Gage County and southeast fourth of Lancaster.

**BOLZ:** Assisting the committee today is Brittany Bohlmeier, our committee clerk. Our page today is our very own Cadet Fowler. On the cabinet to your right you will find cream testify sheets. If you are planning on testifying today please fill out a cream sign-in sheet and hand to our page Cadet when you come to testify. If you will not be testifying on the microphone but want to go on record as having a position on a bill being heard today, there are white sign-in sheets on the cabinet where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the printed record at the end of today's hearing. To better facilitate today's proceeding, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Our order of testimony today will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies will first hear from a representative of the agency. Then we will hear testimony from anyone who wishes to speak on the agency's budget request. When you do testify, please spell your first and last name for the record before you testify. It's our request that you be concise and that you limit your testimony to five minutes. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We would like 12 copies. If you have written testimony but do not have 12 copies, please raise your

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

hand so the page can make copies for you. We will be using the light system today so please recognize the green, yellow, and red lights on the light system. And with that, we'll get started on today's committee hearing with LB100, intent appropriation to the Historical Society grants to nonprofit historic preservation.

**JAKE SEEMAN:** Good afternoon, Vice Chairwoman Bolz and members of the Appropriations Committee. My name's Jake Seeman, J-a-k-e S-e-e-m-a-n. I'm the legislative aide for Senator Justin Wayne, who represents the 13th Legislative District encompassing north Omaha, historic Florence and northeast Douglas County. Senator Wayne was unable to be here for this introduction due to scheduling conflicts, so I'm here to introduce this bill in his stead. LB100 is a simple bill, one that he's introduced before and will likely introduce again. It would appropriate \$1 million to the Nebraska State Historical Society, half of which would be granted out through the historical society to historic nonprofits throughout the state, affording them more opportunities to expand exhibits, maintain building upkeep, hire and retain staff, and conduct more research and etcetera. There are plenty of historic nonprofits around the state that would benefit from the aid Senator Wayne is proposing here. In initial discussions with the Historical Society, the portion appropriated to them would be used in part for cost of administer-- administering the program. Senator Wayne is also interested in expediting the refurbishment of historical markers throughout the state and he believes that the state government should have some buy-in on this process. Many are worn, weathered. There are locations that should have them that don't and this appropriation would ideally free up some resources to move that along as well. Senator Wayne understands that this is a heavy lift, a big ask with the revenue projections as they are, but he is-- he is willing to amend the amount down to help move the ball forward on this. This is an issue-- this-- this-- this is important. This is an important issue to him and the historic identity of his district is something that he's committed to preserving. And he knows that this is not an issue that is exclusive to his district. That being said, if there is some amount that is tolerable or acceptable by the committee, he's willing to amend it. And he may have conversations with some of you on the side at a later date about that. Thank you, Vice Chairwoman Stinner [SIC] and members of the Appropriations Committee. I'd be happy to answer any questions that you might have.

**BOLZ:** OK. Any initial questions? Go ahead, Senator Clements.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

**CLEMENTS:** I see in our preliminary budget their General Fund appropriations of \$4.4 million the first year. Would that raise it to \$5.4 million?

**JAKE SEEMAN:** So was it-- OK. Yeah, I think so. I--

**CLEMENTS:** Or does it change it to just \$1 million?

**JAKE SEEMAN:** Well, it should be, unless I'm misstating it here, his intent was a million dollars for each fiscal year.

**CLEMENTS:** Well, that's how it reads.

**JAKE SEEMAN:** Yeah.

**CLEMENTS:** Yes, \$1 million per year.

**JAKE SEEMAN:** Uh-huh.

**CLEMENTS:** But it just says we will appropriate \$1 million whereas it may be considered-- construed to mean that's all they're going to get--

**JAKE SEEMAN:** OK.

**CLEMENTS:** --than an additional \$1 million. Just was wanting a point of clarification on that. Or is it part of the \$4 million that we're allocating? May need to ask Senator Wayne.

**JAKE SEEMAN:** OK.

**BOLZ:** Typically, Senator Clements, this is how appropriations bills are written. And I think the-- the-- the way the language is to be interpreted is it is the intent of the Legislature to appropriate for the purposes outlined in the legislation. So it's always assumed to be in addition for the purposes enumerated. Does that make sense? In-- in other words, five million, not four.

**CLEMENTS:** An add on.

**BOLZ:** In addition to.

**CLEMENTS:** Yes. Thank you. That right, Scott?

**BOLZ:** Go ahead, Senator Erdman.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

**DORN:** Yeah, he's--

**ERDMAN:** Thank you, Senator Bolz. What may be assumed and what it actually says are two different things. And so with term limits and some of us leave, then the assumption that one had going in, when this was put in place, is that it's in addition. And new people come and they say, no, wait a minute, that means \$1 million, you know? So I don't know. But-- but I was with Senator Clements on that. I thought that was all they were asking for. And then I looked it up in the book and it's significantly more than that. But my question is, what kind of nonprofits would be eligible to receive this kind of funding grant?

**JAKE SEEMAN:** The intention is historic-based nonprofits to kind of-- and county historic nonprofits, just, yeah, those like around the state. One that comes to mind, and while it's not Senator Wayne's district, but just south of that is the Malcolm X historic site. They've been trying to get together the resources to kind of build that into something big. I understand that the Willa Cather expansion there is kind of the exception,--

**ERDMAN:** Uh-huh.

**JAKE SEEMAN:** --not the-- not the norm. So, you know, not a lot of historic societies have the kind of success that-- that they've had. And this is to kind of help move that along.

**ERDMAN:** So then the Historical Society would be the one to make the rules and the qualifications for the grants.

**JAKE SEEMAN:** Correct.

**ERDMAN:** OK. Thank you.

**BOLZ:** Seeing no further questions, we'll take proponent testimony. Seeing no proponents, do I have any opponent testimony? Testifiers in a neutral capacity.

**TREVOR JONES:** Good afternoon, Vice Chair Bolz and the rest of the committee. I am Trevor Jones, T-r-e-v-o-r J-o-n-e-s. I am director and CEO of History Nebraska, also known as the Nebraska State Historical Society. We think that the idea behind this bill is great. There's a big need for a grant program like this in the state of Nebraska. By our best estimate, there are probably about 400 history-related organizations statewide that would qualify in some way or another for this. But we also-- there's a couple of things. One is the way that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

it's written that we would not in any way need half of this money to administer the grant program, and it doesn't specify what the rest of that money would be used for. And so I think it should if that's, you know, an increase that-- that you would consider. And also I would say the, you know, the other piece of that is that we acknowledge, you know, a General Fund addition at this time, just after you guys got a forecast, is not particularly likely. And maybe the funding source of this is something that we really need to think about. Other states have done similar programs like this and I'd love for us to have a grant program some way. But the way we've seen it done in other states is with like a \$1 tax checkoff program that funds that kind of grant program where people donate, you know, a dollar that way. And then that money gets done and then gets out as a granting, you know, program in that way. So something like that in the future may be a way to think about part of this as a way to get that done. Because quite honestly, for a lot of the historical societies that we work with around the state, even a grant of, you know, a couple thousand dollars would be a real game changer in terms of improving the quality of things that they can do. So-- so that's sort of our position on that. We think it's a great idea. We understand the financial realities.

**BOLZ:** Very good. I see a question from Senator Dorn.

**DORN:** Well, that was one of my questions. I guess I see it in-- where do you all collect admissions from? It was about \$50,000 a year here you have in your budget or whatever. And you know you said you're going to have to think outside the box or we're going to have to think outside the box--

**TREVOR JONES:** Uh-huh.

**DORN:** --to possibly eventually come up with funding for some of these agencies. Is that a possibility or are you just talking about a dollar checkoff of some kind? I don't know how that would work either but, I mean, it's--

**TREVOR JONES:** Well, I mean our earned income, and I'll talk to you guys more about that when-- when I come and testify on our budget side, is really, really important to us. I mean we are about-- our total budget is about 50 percent state-funded and then the rest of that comes really from private donations and earned income already for operations. So I wouldn't be in favor of anything that took money away

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

from our earned income operational support and divested it to-- to other organizations.

**BOLZ:** Go ahead, Senator Clements.

**CLEMENTS:** Thank you, Vice Chair Bolz. Thank you, Mr. Jones, and-- or Director Jones. You mentioned a \$1 checkoff. Is that on a tax return?

**TREVOR JONES:** Yeah, a tax return. That's the way it's been done in other states. Yeah. And it doesn't generate-- I mean typically it doesn't, for other states, it doesn't generate anywhere near this kind of money. But, you know, you can grow that over time and-- and then provide grants out to-- to do that.

**CLEMENTS:** And if you provided grants, what kind of a match would the local entity need to do?

**TREVOR JONES:** Well, some-- some places do a-- a one-to-one grant match. Other states have done something I think that's more interesting. There's a-- a national program called StEPs which is to move nonprofits, history nonprofits along and sort of do a sort of a continuum of excellence, make them better at governance. And one of the things that a lot of states that do this grant program do is they require that organization to enroll in basically an excellence program as part of the-- getting the state's money so that you-- you're seeing an improvement for the organization and so you're helping them move along sort of to get better at governance or collections care or exhibits or public programs, whatever that area is. And then that's how they're held accountable. So it's not like they're just getting the money. They're actually part of a program that's supposed to move them to the next level and make them more sustainable. So it's a-- sort of a leg up that they're trying to give them. And that-- that's the way that, you know, sort of I would conceive that as an idea. But we haven't-- we haven't really talked about it.

**CLEMENTS:** All right. Thank you.

**BOLZ:** Thank you, Senator. Any further questions? Thank you.

**TREVOR JONES:** All right. Thanks.

**BOLZ:** Do we have any further neutral testifiers? Do you have any comments in closing? Waives closing. I think that ends the hearing on

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

LB100 and moves us on to LB225, appropriate funds for the Nebraska Main Street Program with Senator Quick. Welcome, Senator Quick.

**QUICK:** Thank you, Vice Chair Bolz, and thank you, committee members. Good afternoon. And, Appropriations Committee, my name is Dan Quick, D-a-n Q-u-i-c-k, and I represent District 35 in Grand Island. And I'm here today to introduce LB225 which will provide funds to support Nebraska's-- Nebraska's Main Street Program. LB225 will provide \$100,000 in fiscal year 2019-2020, and \$100,000 in fiscal year 2020 and 2021 to support community revitalization-- revitalization programming and technical assistance for Nebraska communities to Nebraska's Main Street Program. The appropriation would be enhanced by private funds provided by the Nebraska Main Street Network. The Main Street Program uses a strategic approach that helps guide communities to reverse the cycle of disinvestment in their downtown commercial districts, focusing on building improvements, supporting businesses, and growing jobs, leadership development, and marketing activities in downtown business districts. The Main Street Program helps communities not only learn how to improve the physical character of their downtowns but also how to transform these business districts into thriving places that attract people and investments. Through Main Street communities learn how to effectively manage-- manage change in their downtown for long-term sustainability and how to partner with other local entities to get projects done. This return to vitality is important to increasing local revenue and economic-- economic opportunity. I am familiar with Main Street through Grand Island's participation in the pro-- in the program, and the changes have made dramatic changes to our community. After years of vacancy and deterioration, downtown Grand Island is again the heart of the community. The Nebraska Main Street Network has an active working board and part-time staff. You will hear from a representative of that board and communities currently participating in the program. We are asking for the funds to once again be placed with the Nebraska State Historical Society, as historic preservation is the foundation for the Main Street Program and the partnership makes sense. I appreciate your attention to this issue and I'm happy to answer any questions you may have.

**BOLZ:** Thank you, Senator. Any questions for Senator Quick? Go ahead, Senator Dorn.

**DORN:** What-- what kind? I mean you talked about Grand Island. I mean did they have some kind of grant from the historical or this aspect,

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

Main Street or anything? Or how did they go about doing their revitalization?

**QUICK:** And there will be someone coming after me to address that, but I know-- and I don't know some of the specific projects, but I know the downtown Grand Island area, they've taken the old labor-- or the old labor temple, turned it into apartments. There's been them-- the old Masons Temple and it's been turned into-- there's been apartments placed in there. And they-- the down-- the first level all for-- they have a lot of retail on the bottom.

**DORN:** Shops.

**QUICK:** Yeah. And currently, and I don't know if they've actually-- that this project has applied for that but, or had help from Main Street, but we currently have they're revitalizing the old Sears building in downtown Grand Island for a auction house for coffee beans. So that's going to be an interesting part project and they're almost done with that project so.

**BOLZ:** Super. Thank you. Do we have proponent testifiers?

**JEFF RAY:** Good afternoon, Vice Chair and committee. I appreciate the opportunity to stand before you or sit before you today. My name is Jeff Ray, J-e-f-f R-a-y. I'm an Elkhorn resident and I have the opportunity to do what I really love. I'm a professional planner and I get to go around the state of Nebraska, from border to border, work with lots of different communities, big and small, helping them become better communities. The heart of most communities really is their downtown. And so as I said, I'm really fortunate to be able to do that. But as I work in these different communities, most of them say they have two major issues, the first one being housing, the second being economic development. Both of these can be combined together and partially addressed with our downtowns. Downtowns are often called our central business districts, from a planner's side, and they're the heart of all of our economic activities happening there. They typically possess many historically architecturally significant buildings. They have architectural character. The infrastructure is already built and paid for. And they provide lots of opportunities for small business. And as you know, small business is really what runs our economy. Today if you listen to the Nebraska media covering the Unicameral, it's really dominated by discussions covering property tax relief for all Nebraskans. While I believe this is important and is focused mostly on cutting, that's only half of the equation. Part of

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

this also is increasing our valuations of our properties, making our-- more, more businesses available to help contribute to the bottom line and increasing the denominator as well. And this is exactly what Nebraska Main Street does by using a strategic approach that helps guide communities to help reverse some of the cycle of disinvestment that we've seen in our downtown commercial districts. Focuses on building improvements, marketing activities, helps train, to retain local businesses, to grow local businesses, and even start and be entrepreneurial in some of our local downtowns. This could transform business districts into thriving places that attract people and provide more and new investment, and also help the local economies as they continue to grow. So as you could effectively manage change in our downtowns over the long term and be more sustainable with our existing infrastructures that we already have, this return is vital to the importance of downtown, to keeping our communities vital, and creating a sense of pride within our communities as Nebraskans. Most people are very proud of their downtowns. But if there's nothing down there, there's no reason for you to take any visitors down there. So we want to do that. So this is why a year ago I decided to seek out and join the Nebraska Main Street board, as to which I am a member now, and it's why I would strongly support your consideration of Nebraska Main Street and of LB225. Thank you. And if you have any questions for me, I'll be free to answer those.

**BOLZ:** Thank you. Go ahead, Senator Wishart.

**WISHART:** Well, thank you so much for being here and-- and for what you do for our state. So you, from your testimony, I'm assuming you travel the state quite often.

**JEFF RAY:** Yeah. I have a two-and-a-half-year-old car with 85,000 miles on it.

**WISHART:** OK. So I get to travel the state, too, for-- for my day job and spend a lot of time in very rural communities. One of the things I've noticed is that where I see the most vibrant main streets I also see a lot of businesses run by inner-- international immigrants who have come into the community and have established especially restaurants. Can you speak a little bit to the-- the benefits of having a diverse community and especially some of the immigrant populations starting businesses and revitalizing the main streets.

**JEFF RAY:** Sure. Yeah, that's definitely true. From a demographic side, obviously as a planner I've studied quite a bit of demographics, but

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

our immigrant population, as the senator said, is very entrepreneurial by nature. And sometimes they come here and one individual of the family may have a-- a regular job at a factory or manufacturing or something, and then the rest of the family maybe starts out on an entrepreneurial side. So I've had the opportunities to work in many communities. Three particular come to mind. Fremont, Lexington, Schuyler all have very high immigrant populations. I have actually had the opportunity to work in Lexington prior to the meatpacking plant coming there when New Holland was leaving and saw the entire demographic shift in that community. And I've seen second and third generations now step up and become active parts of the community and using those downtown spaces as restaurants, as services, and bringing diversity into those communities, whether they're very small villages or first- or second-class cities. And it's a vital part of what we do. Those downtown businesses that are already there create those opportunities because the shell is there and it's usually an inexpensive space for them to go in and start that entrepreneurial type activity. A restaurant is a very common one. Main Street can then come along with them at the local level, as well as at the state level, when we have training, helping those individuals to market, put together business plans, and to thrive so that they can truly be successful, because a lot of entrepreneurs don't actually succeed early on.

**BOLZ:** Very good. Oh, Senator Hilkemann, go ahead.

**HILKEMANN:** This \$100,000 that is being asked for this is in addition to what's already going into the program. Am I correct?

**JEFF RAY:** It's my understanding there's currently no state funding going into the program at this point.

**HILKEMANN:** None at all.

**JEFF RAY:** I'll-- I'll defer that to our executive director, who will be up shortly.

**HILKEMANN:** So whatever-- because I was-- I know we've-- this is not the first time this issue has been brought before this Appropriations Committee. I sure I thought-- I thought we all-- there was already a program and we're just adding money to it, but that's not the case.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

**JEFF RAY:** Historically, it has been funded and it's been cut in the recent years and we've been on a shoestring budget trying to survive.

**HILKEMANN:** OK.

**JEFF RAY:** But I'll let Elizabeth address that in detail.

**BOLZ:** Go ahead, Senator Erdman.

**ERDMAN:** Thank you, Senator Bolz. So give me the makeup of your board. Where are they from?

**JEFF RAY:** Where all are we from? I'm going to defer--

**ERDMAN:** Anywhere out west?

**JEFF RAY:** Well, yeah, we have one woman is in Lexington.

**ELIZABETH CHASE:** Cozad.

**JEFF RAY:** Cozad. OK. It's close, a little further west. The majority are-- and I'm new. I've been on the board two meetings so far.

**ERDMAN:** Maybe I need to ask the director about that, huh?

**JEFF RAY:** Yeah, she can cover all of that.

**ERDMAN:** So have you been working with the western part of the state, like I'm talking about Scottsbluff?

**JEFF RAY:** Me personally?

**ERDMAN:** Any of the Main Street people.

**JEFF RAY:** I'll-- I'll let her address who all of our members are as well--

**ERDMAN:** All right. Thank you.

**JEFF RAY:** --and-- and the-- the various levels of those memberships and what we've done in those communities.

**BOLZ:** OK. Thank you.

**JEFF RAY:** Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

**BOLZ:** Further proponents.

**MICHAEL SOTHAN:** Hello there. Good afternoon. My name is Michael Sothan, M-i-c-h-a-e-l S-o-t-h-a-n. I'm with Main Street Beatrice. And definitely nice to see Senator Dorn and all of you here-- here today. Just wanted to kind of tell you guys a little bit, being a local director of one of our main street programs, not a part of the statewide network but actually one of the people that's on the ground trying to really change the way things are in our community and-- and, you know, obviously improve our-- our downtown and the entire Beatrice community as a whole and the region. The information that I've given you, just kind of highlight a little bit, the very first page is just a letter. I'm not going to read that out to you. I do welcome you to take a chance to look at that. The second part there, just what is Main Street Beatrice exactly, tells a little bit about us, and I'll tell you a little bit about that and also highlight some of our successes. And that third page is actually a-- some of the transformation strategies that we are undertaking actually out of a result of some of the technical assistance that we received through the Nebraska Main Street Network prior to it being cut. I want to tell you a little bit of how-- what type of success we've been seeing from that, that assistance. And so like I said, my name is Michael Sothan with Main Street Beatrice. We're a 501(c)(3) nonprofit there in Beatrice, Nebraska. We predominantly raise our own funds to fund our program locally but obviously, because of us having to do fund-raising, asking our businesses to contribute. We have a small-- we get about, on average, about \$7,000 a year from the city of Beatrice. We, for us to really do large projects or major initiatives or definitely a lot of technical assistance, we do need to seek some outside sources, which is what this bill would help us to be able to, to be a little more strategic, a little more focused in some of our things. But as a main street organization, we've been around since 1996. We have 15-member board of directors. And we haven't always, I guess, seen the amount of success that we thought we should have, but here of late we really have. We've really been able to see things really turn around. Beatrice as a whole now has 170 businesses within our main street business mission area which encompasses pretty much all of downtown Beatrice. We've seen a lot of growth here of late. We've seen nearly \$3 million invested into our downtown here just in 2018 alone, which is the most that we've had in decades, honestly I mean probably the highest dollar amount since these buildings were being built, even if you adjust it for inflation. So a lot of great things happening. But it didn't just happen without really the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

community and our organization and our partners really trying to, to take on the downtown. And it was really starting to head in a direction that-- that wasn't very-- very pleasant and it was really leading to a sense of apathy, a sense of community, I guess, just feeling kind of down on itself. And you can probably relate to that, Senator Dorn. But I really think that there's a sense of positivity, even with some of the things that are happening in Gage County as a whole. I'm hearing mostly positive things. I think a lot of that is from economic development activities that have been happening with our downtown and with other industrial aspects, and they all relate. Our downtown main street district is the face of our community. When people come in, whether it's them trying to decide if they're going to relocate an industry and their employees to Beatrice or if it's a young family trying to decide if they're gonna take that job or if it's a young youth or someone that's just graduated college, trying to decide if they're going to come back home, inevitably their downtown is going to end up making an impact. That sense of place needs to be there. And if it's deteriorating, it's definitely not going to put a very good face on-- on the community. And so our job has been to-- to definitely try to change that. We've been working. We do business planning with a lot of our businesses. We've seen pretty good-- very strong business growth here of late. We work with our property owners to see historic building rehabilitation. We also go out and we do work with trying to bring in developers. We currently have several out-of-state and even our own local developers that are taking on projects. We try to work on improving the actual visual aesthetics of downtown and we do a lot of those things. But again, it comes back to we really have to have a plan as part of that. And now I'm kind of here, to kind of close, something that we did get assistance from the Nebraska Main Street Network was to create some strategic planning, not just for our downtown. We ended up leading an effort, but our local county economic development and our city chamber collaborated with us on this, and it's the Beatrice Community Development Strategies. It's not related just to downtown. For us, we wanted to partner, cast our net a little bit wider, but it was focusing on different transformation strategies. It's not just about doing a business. It's not just about trying to fix a-- a building. It's really about transforming the community. It's trying to do things that are going to make a big difference in moving that needle. And really, through some of the assistance through the Nebraska Main Street Network and the state funding that they had received a couple of years ago, we were actually able to bring in a consultant that has really helped us put together a game plan, really a road map of which

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

activities for us to really be able to pursue, strategies that are starting to make a difference in Beatrice. Again, 2018, last year, was a great showing of just what can happen when-- when we end up having that assistance. So I will take any questions you guys might have of us.

**BOLZ:** Thank you. Any questions? Very good. Thank you.

**MICHAEL SOTHAN:** Thank you.

**DORN:** Thank you for coming.

**BOLZ:** Further proponents.

**ELIZABETH CHASE:** Not for short people. Thank you, Senator Bolz and members of the Appropriations Committee. My name is Elizabeth Chase, E-l-i-z-a-b-e-t-h C-h-a-s-e. I am the executive director of the Nebraska Main Street Network, the organization that oversees Nebraska's Main Street program. Thank you for taking time this afternoon to hear all of our stories. The Main Street Program helps communities look at the opportunities in their downtowns, working with them to develop a comprehensive plan of action that doesn't just focus on one project or activity. We champion community engagement and looking at the whole district and not just investment in individual pieces. Fixing up a building or opening a new business is-- is easy; revitalizing entire business districts and keeping them economically productive for the long term is not. Do we want vacant and underutilized buildings, loss of business, and a lack of pride in our downtowns to continue to put financial strain on taxpayers? The past two years without contract funding from the state, community memberships, fees for service, and small donations have kept the doors open. But we have been unable to be as actively engaged in providing the hands-on technical expertise and support that communities are asking for and that before the state's economic downturn we were able to provide. We see the struggles facing communities when they can't undertake a project or grappling with a particular issue because they don't have the knowledge or resources needed. We are unable to help because we do not have the funding. Many communities come to us because they don't even know where to start, as they continue to watch buildings deteriorate and businesses close. We watch as our government-funded peers in other states provide programs and services with budgets from a quarter of a million dollars to nearly \$6 million and with full-time staff working directly with communities on small business development, business district management, historic

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 1, 2019

preservation, design, marketing, and education. It's a coordinated effort that grows the places people want, while diversifying local economies, allowing them to get through difficult economic times. Nebraska has fallen behind in its support of a program that has value and positive economic impact. For every dollar that's been invested in Nebraska's Main Street Program by both the public and private sectors has had a return on investment to the state of \$37. Our long-term vision is to create a level of economic impact that strengthens communities and rivals what we're seeing at other states around us. We want Nebraska's downtowns to be places of entrepreneurial opportunity and growth, while preserving the historic character of our built history, using that to our advantage in stemming the tide of population loss. If we want to attract people to live in Nebraska's communities, we have to make our communities great places to live. People want places with active and attractive downtowns full of businesses that offer unique experiences and generate jobs, instilling the sense of community pride and economic prosperity. Serving more communities and continuing to engage those who are already involved takes resources. Investing in this program yields results and, as our statistics show, when the state program has been well-funded communities experience a high level of activity and success. That success benefits the whole state. The Main Street Program is smart investment and deserves a sustainable funding source so it can continue to be a resource for Nebraska communities. We urge your support for LB225. And I would be happy to answer any of your questions.

**BOLZ:** Very good. Thank you. Do we have questions for this testifier?

**ELIZABETH CHASE:** Or answer the ones that people had before.

**BOLZ:** Go ahead, Senator Clements.

**CLEMENTS:** I'll repeat the question as to where your board members are from.

**ELIZABETH CHASE:** Where the board members are from. A lot of them are from Lincoln and Omaha. We've got-- one of our board members who is based in Lincoln is from Bridgeport originally. Our furthest director is in Cozad. But the rest of them are pretty much Omaha, Lincoln, and Wahoo.

**CLEMENTS:** And what is the number of directors?

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Appropriations Committee March 1, 2019

**ELIZABETH CHASE:** We have nine.

**CLEMENTS:** All right.

**BOLZ:** Go ahead, Senator Wishart.

**WISHART:** What is-- why is the board pretty heavily Omaha and Lincoln when the areas that we are working with tend to be much more rural?

**ELIZABETH CHASE:** I think because there are a lot of folks that had background, who lived in those small towns growing up and still have connections back there, and they just happen to live here.

**WISHART:** OK. Thank you.

**BOLZ:** Go ahead, Senator Clements.

**CLEMENTS:** If you were to-- if this bill would pass, \$100,000, is-- is it used for your administration expenses or is it for grants or [INAUDIBLE]?

**ELIZABETH CHASE:** It's used to deliver the technical assistance. So it takes, you know, somebody to go out and actually work with the communities directly. And that would come from both myself as well as our board members who are active board members.

**CLEMENTS:** Which means you would be giving advice to them--

**ELIZABETH CHASE:** Correct.

**CLEMENTS:** --as to how to evaluate their situation and then what steps to take to--

**ELIZABETH CHASE:** Correct.

**CLEMENTS:** --improve it? All right. Thank you.

**BOLZ:** Very good.

**ELIZABETH CHASE:** All right.

**BOLZ:** Thank you.

**ELIZABETH CHASE:** Thank you very much.

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**BOLZ:** Do we have any further proponents? Seeing none, do I have any opponents? Anyone testifying in a neutral capacity? Seeing none, thank you. Senator Quick, would you like to close?

**QUICK:** Thank you, Vice Chair Bolz. I just-- I know Grand Island has been a member for quite a while and they've utilized the program. You know, like I say, I can't name the specific projects but our downtown has been revi-- revitalized. I mean it's-- it's amazing what's happened over the last few years there. And I know right now, like I say, there's another building that one of the-- he's-- he's an entrepreneur in Grand Island. He's a developer. He's-- he's put in two restaurants. He's-- he's now working on a building that was-- I mean it sat empty for years and years and it was an old mall, a medical mall I guess they would have called it back in the day, where you had doctors up on the second floor and then an open-- open atrium in the bottom floor. And he's using historical tax credits and-- and to redevelop that, that building. And I don't know if he had help from Main Street but I know that they've worked with him. So I think this is an important program for a lot of our communities to-- to help with those old buildings that sit there and they just become abandoned and vacant and they get used for nothing else. So I think this would be great for our communities to still have an access to find out what they can do with those buildings and have, you know, find out where they can get loans or grants or something like that. So I hope this is something that you can support. And thank you very much.

**BOLZ:** Thank you, Senator Quick. Any last questions? Thank you, Senator. For the record, letters for the record on LB225: Lou Ann Tooker, Atkinson Economic Development; Randal Chick, Hastings Business Improvement District; Renae Brandt, North Platte Downtown Association; J.L. Schmidt; Rhonda Veleba, York Chamber of Commerce; Megan Sothan, Gage County Historical Society and Museum; Jim Ulrich, Plattsmouth Main Street Association; Dennis Burnside, Lexington Main Street Association; and Melissa Dirr Gengler, Historic Resources Group, Inc.; all letters in support. I think that closes our hearing on LB225, and moves us to the agency hearing on Agency 54, the Historical Society.