

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee March 14, 2019

STINNER: My name is John Stinner. I'm from Gering, Nebraska, and represent the 48th Legislative District. I serve as Chair of this committee. Like to start off by having members do self-introductions, starting with Senator Erdman.

ERDMAN: Hi, I'm Steve Erdman District 47, ten counties in the Panhandle.

McDONNELL: Mike McDonnell, LD5, south Omaha.

HILKEMANN: Robert Hilkemann, District 4, west Omaha.

STINNER: John Stinner, District 48, all of Scotts Bluff County.

BOLZ: Senator Kate Bolz, District 29.

DORN: I'm Myron Dorn, District 30, which is Gage County and southeast Lancaster.

STINNER: We will have other senators joining us. I believe that they'll either be coming in late or are at hearings. Assisting the committee today as Brittany Bohlmeier, our committee clerk. Our page today was Cadet Fowler. He is studying film studies at the University of Nebraska in Lincoln. On the cabinet to your right you will find cream testify sheets. If you are planning to testify today, please fill out a cream sign-in sheet and hand it to the page when you come up to testify. If you will not be testifying at 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 permanent record at the end of today's hearings. To better facilitate today's proceedings, I ask you to abide by the following procedures. Please silence or turn off your cell phone. Order of testimony will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency. We will then hear testimony from anyone who wishes to speak on the agency's budget request. We also ask that when you come up to testify, please spell your first and last name for the record before you testify. Be concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only when testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify.

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We need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today. And we have changed the order to the State Patrol first. If you haven't heard, there's quite an emergency throughout the state, so. Good afternoon.

[AGENCY 64 HEARING]

STINNER: We will now open with our hearing on LB171, analysis of the State Capitol parking. Senator Pansing Brooks.

PANSING BROOKS: Good afternoon.

STINNER: Afternoon.

PANSING BROOKS: Ready?

STINNER: Yes.

PANSING BROOKS: Good afternoon, Chair-- Chairman Stinner and members of the Appropriations Committee. Thank you for having me here today. For the record, I am Patty Pansing Brooks, P-a-t-t-y P-a-n-s-i-n-g B-r-o-o-k-s, representing District 28 right here in the heart of Lincoln. I am here to introduce LB171, a bill to appropriate \$150,000 from the Capitol Building's parking revolving fund for fiscal year 2019-2020 to the Department of Administrative Services to obtain a professional analysis of existing and future parking needs around our Capitol to be completed no later than January 1, 2020. This fall was my interim study that I had before you this past fall with Senator Watermeier, LR361, which examined the parking deficiencies around the Capitol environs and surrounding neighborhoods and sought to provide possible solutions to eliminate these deficiencies, all while being sensitive to the fact that the state is negatively impacting the day-to-day lives of our neighbors who live around this amazing building. I'm sure that the parking issues are not a surprise to any of you. For years now parking around the Capitol has been difficult for visitors, state employees, and neighborhood residents alike. Visitors to the Capitol and other state office buildings nearby can constantly struggle to find any sort of short-term, on-street parking whatsoever. Moreover, the people in the surrounding neighborhoods, my constituents, often find themselves unable to park their own cars or have appropriate access to their homes due to the influx of vehicles they find along their streets between 8:00 and 5:00 every day. Imagine, if you will, the elderly people who live around our Capitol

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walking blocks and carrying groceries to their apartments with the snow pack that we've recently had. We are being difficult neighbors. Our-- our own legislative employees confront this acute lack of parking each and every day, and we heard from a number of them during our interim study. Many testified that they'd be willing to pay more for a parking spot if any were actually available. Stuck for years on waiting lists for state parking garages and service lots, many of these employees have naturally taken to parking in stalls around the Capitol, stalls which ideally should be used for our visitors. But who can blame them under the circumstances? We as senators are fortunate enough to have access to the senators' lot for our parking needs, but I want you to imagine, if you will, if that were not the case. Do you truly think you'd be able to find a parking spot whenever you want around the Capitol in the midst of the legislative session? It would not be an easy task. As elected officials are duty first and foremost is to our constituents and the citizens of our state. The citizens serve as the second house and we are doing them a grave disservice by not ensuring easy access to our Capitol. It is imperative that we work together to remove barriers to participating in our unique legislative process without unduly burdening those residents who live nearby. The parking deficiencies that exist in the Capitol environs are not a recent problem. In 2009 the Department of Administrative Services hired a nationally recognized firm that specialized in parking to complete a report on ways to potentially remedy the parking woes of that time. Unfortunately, those recommendations were never acted upon, and since then the parking problems have only become worse. In late September of 2018 the Department of Administrative Services released the 288-page Comprehensive Capitol Facilities Plan. I've given you the executive summary of that plan. And I'm sorry, it has my chicken scratchings on them but I just want-- I had passed it out to you before and I thought I'd pass it out again because I think it's a good summary. This facilities plan, and I want to echo facilities plan, on parking facilities plan aims to better utilize office space and increase employee efficiencies. In addition, the facilities plan also allows the state to keep pace with projected growth and changing technology, all while bringing agencies that work together on a day-to-day basis within close geographic proximity to each other, and also it sets forth the agencies which would benefit from being close in proximity to the Capitol would be housed together. We were fortunate to have Doug, Doug Wilken, the general counsel for the Department of Administrative Services, join us during the interim study hearing to cover the facilities plan in more detail. I greatly

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appreciated the Department of Administrative Services' willingness to testify because it is imperative that the executive and legislative branches work together to solve this parking problem. The release of this Comprehensive Capitol Facilities Plan marked the first time in history that state has undergone a comprehensive planning process for the area surrounding the Capitol for the next 20 years, and I applaud them for their oversight or their foresight. However, the interim study clearly showed that the facilities plan still does not provide an adequate solution for the increasing parking problems we are encountering. In fact, the facilities plan is not a parking study and should not be misconstrued as anything other than a long-range plan for housing the growing number of state employees. While the facilities plan does have a brief section on parking, which I've included, parking is clearly not the focus and, thereby, does little to sufficiently address the state's parking problem, which is why I brought this bill. And I-- and you can get the whole plan on-line. It's quite long. I just want to show you the very-- the-- the way that it just touched on parking. Currently the state maintains 2,349 off-street parking stalls in the Capitol environs and 3,514 employees currently work in this same area. So 2,340 spots, 3,514 employees. Even with the current policy of overselling available parking spaces by 9 percent because 2,562, 2,562 have been issued, if every state employee working in the Capitol environs drove to work, 43 percent would be without park-- parking, 43 percent. In the recently released facilities plan, the Department of Administrative Services estimates that within 20 years, 5,000 people will be working in the Capitol environs, an increase of 40 percent from the number of state employees working in the same area today. If all the facilities plans' recommendations in regard to parking were followed, the state would only see an addition of around 425 to 450 parking stalls within this same 20-year period. And you'll see that on that page where I say plus 250, minus 70. That's plus and minus the number of stalls in what that little plan sort of estimates. If the estimates of a 40 percent increase in employees in the area are correct, these additional spots will do little to alleviate the problems we continue to face on a daily basis. Further, most of these spots are secure parking and would be prohibitively expensive to most state employees. If you look at the discussion on page-- it's-- it's (xi) small Roman x, Roman i, so 11, and I've-- I've-- I've really outlined it. You'll see that under the new office building, Lot A, they talk about a juvenile justice building. It's on the second column of that page. And it talks about 500 more secure parking. So that's not for our employees. That's not.

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I mean that's for judges, senators, those. It's really not for just normal employee parking. So, so again further, most of those spots, since they're secure, would be prohibitively expensive to state employees. There are a few-- there are a couple of experts behind me who are set to testify and can attest to the validity of the deficiencies in the parking in the Capitol environs and the necessity to allocate funds for a true parking study, which can propose potential solutions and cost-saving measures for the state to pursue while striving to rectify the current parking shortage. In honor of your time, I didn't ask the-- the entourage of state employees to come and testify as they did during the hearing this fall, as you remember. Employees if you're listening now, you might want to talk to your senators about what you are actually experiencing because we heard loud and clear that the employees are really under stress and that they end up coming and moving their-- their cars at times because they have to hurry and get in to help us. And they're-- they end up taking spots for our constituents. And I don't blame them, but I think we need to do more to help this. Clearly, something needs to be done as changes are made to the Capitol environs to ensure we are addressing the numerous parking deficiencies currently facing us. That's why Senator, former Senator Watermeier and I initially came together to introduce this study and why I am now introducing this bill. My study served as a good starting point to bring all interested parties together and move forward to finally address the myriad of problems that stem from a lack of parking around the Capitol and its surrounding neighborhoods. The parking issue is imposing on the lives of those who live around here, as well as the visitors to our Capitol, and we have to work together to improve these issues. And I would finally like to point out the fiscal note indicates the Capitol Parking Revolving-- the Capitol Parking Revolving Fund has sufficient balance to pay for the \$150,000 study. And if you want to know how I came up with that number, we've been working a lot with people from the city. I have a brilliant man, Wayne Mixdorf from the city, who is hired by the city for parking. We do not have a person like that at the state. And he-- he helps, he's just brilliant on all this so you can ask him why \$150,000. Thank you. And I will answer any questions you may have.

STINNER: Senator Erdman.

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ERDMAN: Thank you, Senator Stinner. Thank you, Senator Pansing Brooks, for bringing this. And I do appreciate you didn't ask all the employees to come because they'd had to take a day off to do that.

PANSING BROOKS: Exactly.

ERDMAN: And they would have lost the pay for doing that.

PANSING BROOKS: Absolutely.

ERDMAN: So this bill, if we adopt this, can they get this done by the first of the year?

PANSING BROOKS: By 2020? I'm hearing that they can, that that-- but, again, if you could ask of Mr. Mixdorf I think that would be good, or former Senator Wickersham.

ERDMAN: OK. So if we did pass this, and I noticed it doesn't have the emergency clause so it would not go into effect till September 6, correct?

PANSING BROOKS: That's true.

ERDMAN: So if I had brought this bill or if you're considering moving it forward, you may want to include the emergency clause--

PANSING BROOKS: That's a good idea.

ERDMAN: --so that they can get started as soon as it passes, if it does, and the Governor signs it. Because if it's adopted and it passes and you can start September 6, from September 6 until January 1 is not a long time.

PANSING BROOKS: It isn't. You're right. I'll consider that. Thank you.

ERDMAN: I don't think that's-- I don't care how fast they work, that's only three months. That's a pretty short time.

PANSING BROOKS: That's a really good point. Thank you for pointing that out.

ERDMAN: Thank you.

STINNER: Additional questions?

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PANSING BROOKS: OK.

STINNER: Seeing none, thank you.

PANSING BROOKS: Thank you.

STINNER: Afternoon.

WAYNE MIXDORF: Good afternoon and thank you for the opportunity to testify in support of LB71 [SIC]. My name is Wayne Mixdorf. I'm currently the parking manager for the city of Lincoln. I assumed that role in June of 2013. Prior to my arrival in Lincoln, I managed municipal parking systems in Ann Arbor, Michigan; Montgomery County, Maryland; Tampa, Florida; and Baltimore County, Maryland. And it's because of the experience I've gained from more than 25 years in university of municipal parking that I support the goal of this particular bill. Now I'm certain it comes as no surprise to anyone that there are a number of parking-related issues that need attention on and around the State Capitol Campus. Certainly Senator Pansing Brooks mentioned several of those. LB71 [SIC] would appropriate \$150,000 for a professional analysis of these existing issues and to provide guidance for anticipating future parking needs. Parking industry best practices indicate that planning documents, such as the parking study completed in 2009 and available on the DAS Web site, be updated periodically in the same manner as any other planning document. In essence, the analysis proposed in this bill would be the ten-year update to the existing study. In my opinion, the greatest benefit of this analysis would be the reexamination of the policy changes that were recommended in the 2009 study: the development of professional parking management programs; the introduction of planned rate increases; improving the effectiveness of parking enforcement, Capitol Campus; developing a transportation demand management program; and exploring a cashing out program for employees. It would be valuable to know, if these policy changes were implemented, to what extent they were implemented and to what result. The proposed parking analysis would also build on the work done for the cap-- the Comprehensive Capitol Facilities Plan. And as stated earlier, that plan outlines future goals for the Campus, both in construction of new facilities and in the potential number of new state employees. It would be very helpful to determine if the current parking management practices and strategies are adequate to meet that predicted growth. The facilities plan identifies a number of potential building sites for construction of new facilities to meet those future office space

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needs. As is common, those building sites are currently surface parking lots. To replace the existing parking inventory and to meet the additional demand created by the new offices, it will be necessary to build structured parking. Data from March of 2017 compiled by "Car Walk"-- Carl Walker, Incorporated-- that's the same consulting firm that did the 2009 study-- indicates that the national average cost for above-grade parking structures at \$19,700 per space. Other sources indicate that the average cost of below-grade parking, which is what's recommended in the facilities plan, often exceeds \$30,000 per space. In addition, several building cost indices, such as the Engineering News-Record Building Cost Index and the Turner Building Cost Index, show that construction costs are rising approximately 5 percent annually. So, in my opinion, any of the work done to identify more efficient procedures to improve the useful lifespan of existing facilities were it to help develop new programs to meet the growing demand would be a good thing. Neither the state nor the city is going to be able to build its way out of the parking problems they face. Those problems are more immediate than that. So perhaps this analysis will help identify ways to make expensive construction of future parking assets unnecessary. Thank you.

STINNER: Thank you. Questions? So we have an inadequate parking situation today. Is there some plan that we can work today with the city? There's been some-- somebody said that we could park down at the Pinnacle Center possibly, there was available spaces down there, and bus people up there. Is that even close to being?

WAYNE MIXDORF: That's no longer accurate. It certainly was accurate at one time.

STINNER: OK.

WAYNE MIXDORF: We currently have managed to fill two of the garages with the employees that are officing in the new construction. There are construction plans for the last of the building lots available down there that will probably indicate the need for another garage built by the city. But the demand for parking there is such that we've been able to achieve full capacity with a 15 percent oversell in two of the three existing garages.

STINNER: OK. And tell me this. When-- I have some experience building in Colorado. So there was a square footage number that-- that I had to

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adhere to and I had to provide a parking place for so many square feet. Does the city of Lincoln also have that in their building code?

WAYNE MIXDORF: We do. The codes require-- there is a formula based on office space or the type of use of the-- of the facilities. And we do have to adhere to that. Yes, sir.

STINNER: OK. So you could take that facility plan by square footage and you could predict how many office-- or how many parking places we may need. Is that-- ?

WAYNE MIXDORF: It is not quite as exact as that--

STINNER: OK.

WAYNE MIXDORF: --in the-- in the modern era. Most of those square-foot parking demand estimates were developed through the-- the ITE information generated and have proven to be somewhat outdated. They're probably about 50 years old. They're not updated as rapidly as the market would-- would indicate. But it is still possible to look at a office space and be able to predict the number of employees that are going to occupy that space, and then use the formulas that we use to predict how many vehicles that that would translate into.

STINNER: Of course, there's a special calculation for the Capitol here, especially during session. We have more constituents coming in, more parking required. So there's some seasonality in that.

WAYNE MIXDORF: There certainly is. It's also a government office is not to the same standard as commercial office space. We anticipate in government buildings that there will be more employees per square foot.

STINNER: OK. I did want to make this abundantly clear in the record. The state is not subject to any building codes in the state. Think about that. Any additional questions? Oh, Senator Bolz. I'm sorry, I didn't mean to jump [INAUDIBLE].

BOLZ: You're OK. I was just curious. In analyses such as these, do you-- do you take the step into recommendations about funding streams for paying for construction or-- or cost of maintenance into the future? Is that part of the analysis or will that in a second stage?

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WAYNE MIXDORF: No. That should be touched upon. It certainly should be in the initial study. You certainly should have information about what maintenance costs would be, particularly in the existing facilities, because one of the things that I think DAS really wants to do is to protect the existing infrastructure to make sure that it continues to be available into the future. Predicting new costs and where the revenue would come for that would probably be additional work that would be needed later.

BOLZ: OK. It-- it may be-- it may be worth working with the bill introducer to add some additional specificity to the bill language to make sure that whatever financial information can be put into this stage of the study is. I think it will help this committee move forward.

WAYNE MIXDORF: Absolutely.

BOLZ: Thank you.

STINNER: Is it also in this study going to incorporate the facilities plan? You say you need to update the ten-year plan. It's update the ten-year plan but it also includes contemplated facilities, doesn't it?

WAYNE MIXDORF: It will certainly build on the information that's available in the facilities plan. Yes, sir.

STINNER: OK.

WAYNE MIXDORF: It certainly will address that.

STINNER: Senator Wishart.

WISHART: So thank you for being here, Wayne.

WAYNE MIXDORF: Uh-huh.

WISHART: Do-- do we-- is this a situation where we really do need a study before we take action, or you sitting here today with the expertise that you have, do you feel like you already know what we would need to do and basically we're going through the motions of the study when-- when we already know what we need to do?

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WAYNE MIXDORF: Well, Senator, that answer to that comes in several parts.

WISHART: OK.

WAYNE MIXDORF: One, I-- I don't work for DAS. I'm more than happy to help, the city is more than happy to help in any way that we possibly can. But this is an effort that has to be guided by DAS and their ability to-- to implement the information that's generated in this study. We certainly welcome-- welcome the opportunity to be part of that. That's about as far as I can-- I can really-- I can really go.

WISHART: So let me-- let me maybe frame it this way. If-- if we were sitting in front of the city council right now,--

WAYNE MIXDORF: Uh-huh.

WISHART: --and so this was under your jurisdiction,--

WAYNE MIXDORF: Uh-huh.

WISHART: --and we had the same problems that we're having right now and they said we should study it, do you think with the expertise you know in term-- you have in terms of the-- the landscape of Lincoln that you would be able to say, no, these are-- this is what we need to do?

WAYNE MIXDORF: There are a number of things that I could point to that-- that would be things that I would implement immediately.

WISHART: OK.

WAYNE MIXDORF: That's absolutely true. But the study I believe will help to refine where the most effective use of those-- of the things to make changes, where the most-- we could be the most effective in-- in the implementation of those policies.

WISHART: Because I'm just wondering if, you know, it's \$150,000 for a study, and sometimes what we see is you do a study and then it sits on a shelf and gains dust and no one ever moves forward on it, whereas \$150,000 to hire a staff member to-- to do the changes--

WAYNE MIXDORF: Understood.

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WISHART: --and the understanding that there is a financial responsibility to addressing this issue.

WAYNE MIXDORF: DAS does have a small staff that is responsible for managing the parking assets. And I think that one of the things that should-- the study should take a serious look at is the adequacy of the-- the staffing. It's a personal opinion of mine that there are not enough people that are assigned specifically to managing the parking for the State Campus here around the Capitol. But that's my personal opinion. DAS management may feel differently about that. The-- that would be one of the things that I would hope that a study of this type would take a very long look at.

STINNER: I would think the complexity of zoning, the density of the city, and all of who owns what would be difficult if-- to do just sitting down and doing it. I think you do have to have a study to study the complexity of this. Would the city by any chance, since you're one of our partners and we're living in your city, help us with this study?

WAYNE MIXDORF: I certainly can take that back to the folks that I report to.

STINNER: We'd sure like to cost share with you. How's that? [LAUGHTER]

WISHART: Well, we'd like your expertise too. I mean I-- and I-- you know, I can talk more to Senator Pansing Brooks about this, but I do think it's important that we include that we are collaborating with you.

WAYNE MIXDORF: I welcome the opportunity to do that.

WISHART: OK.

STINNER: Senator Dorn.

DORN: Thank you, Chairman Stinner. And thank you for coming today. It's--

WAYNE MIXDORF: Certainly, sir.

DORN: --interesting to hear some of these comments. But I got kind of a tongue-in-cheek comment I guess. My--

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WAYNE MIXDORF: Sure.

DORN: --being a new senator, my staff told me that the way the state solves the parking issue around the Capitol, they call up Lincoln and then have the Park and Go vehicle come out, write out tickets.

WAYNE MIXDORF: That will free up a space or two. Yes.

DORN: Yes.

WAYNE MIXDORF: Yes, it will.

DORN: Yeah.

STINNER: It will also make your staff leave several times a day. Additional questions? Seeing none, thank you.

WAYNE MIXDORF: Thank you.

BOB WICKERSHAM: [INAUDIBLE] Senator Stinner.

STINNER: [INAUDIBLE] How are you?

BOB WICKERSHAM: Fine. Good to see you. Members the committee, my name is Bob Wickersham, W-i-c-k-e-r-s-h-a-m. I'm appearing on behalf of the Nebraska Association of Former State Senators. The state senate-- former state senators became interested in this issue about five years ago. We had a meeting here in the building and a number of our members observed that they had not been able to find very easy parking. So we decided to try to do something about it. We formed a committee. Can you imagine? And we began to study the issue. It didn't take us very long to discover that what we thought the root of the issue was, was the lack of off-street parking for state employees. As you've heard others testify, they literally don't have any choices because there's only about 2,300 parking-- off-street parking places made available by the state for its employees, but we have 3,500 employees. Kind of makes a bind. And they have to go someplace. The place they go is around the Capitol when the city isn't enforcing its parking regulations. And I know in the past the city has had calls from people saying don't enforce your rules. Now I don't think that's a good thing for the state or its representatives to be doing. Not-- you can't ask somebody else not to enforce their rules. And it has resulted in a number of impacts. People who want to visit the Capitol have been impacted. At various times it's been almost impossible to get here

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unless you parked at least three or four blocks away. You can imagine in weather like we've had recently what that means to visitors to the Capitol. And that pertains even in the summertime. If you came around in the summertime you'd find that parking around the Capitol was very limited, even when we're not in session. The other impact, of course, has been on state employees. I hear that they have to come in early. Maybe you like that. But they come in early so they get a parking place. But that doesn't solve their problem for the rest of the day because if Park and Go comes around the Capitol then they play musical parking. They have to go out and move. Everybody just moves. How much time does that take? What does that cost the state? And it's-- it's simply not being a responsible employer, in our opinion, to not provide off-street parking for your employees so they can work a reasonable day's work without fear of the city or somebody else part-- enforcing their parking regulations. The third impact has been on the neighborhoods. And Senator Pansing Brooks noted that if you live around here and you have to go out to the grocery store or do something normal during your day that when you come back you're probably not going to find a parking place. You're not going to be able to get back to your own home or your own residence because somebody will have taken your parking place and they will be there until 5:00 or even later. Now I don't think that makes us a very good neighbor, us being the state. So we've had really, in our estimate, two strikes against us. We haven't been a very responsible employer because we haven't taken care of our employees and their needs, and secondly, we've been a very poor or bad neighbor to the people we have to work around. That just doesn't seem to me, on the face of it, to be something that we want the state-- the image of the state to be. We'd rather be a good employer I think, and I think we'd rather be a good neighbor. Hopefully, it isn't an unsolvable problem because, as Mr. Mixdorf indicated, maybe we can have a study. Somebody can tell us how we can begin to address the issue. Maybe we could hire somebody and maybe we could get DAS to move forward and the administration. All those are possibilities. But we have a stood-- we have a study that's ten years old now and nobody acted on that. I agree with you, Senator Wishart. Somebody should have. But they didn't. And I think if you look at that study you're going to see that most of what they recommended was not done. Now why it wasn't done I don't know. But the other thing that I think is important to know is that since that 2009 study things have changed, Senator Wishart. There's technology. There's difference in construction techniques. There are differences in what people need for parking. I think the 2009 study is a little--

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it has a beard. I mean it needs to be updated here. You do need to do something, in-- in our opinion, and hopefully for that, for the expenditure that's noted, we can get something done. I think it's probably important to the committee that that-- the funds for the study would not come out of General Funds. And I would represent to you that if you had to construct buildings in the future, I think there is the potential for funding those buildings without the use of General Funds. But again, I think you need to, as Senator Bolz noted, you need to know more about the financials and what your opportunities might be and how you might go about addressing the need most efficiently and most effectively. And one other comment, because I see the yellow light's on. This isn't something that we're going to go away on. So if you think the study is going to go on a shelf and no-- and nobody's going to read it and nobody's going to say, why don't you do that, that is not going to happen.

STINNER: Thank you. Questions? Senator Dorn.

DORN: Your last comment there you said that this isn't a study that it's going to go away. I mean--

BOB WICKERSHAM: Well, the study--

DORN: What do you mean by it's not going to happen?

BOB WICKERSHAM: OK. The-- I'm sorry, Senator. Maybe I was speaking a little fast because the red light came on.

DORN: Yeah, I know.

BOB WICKERSHAM: What-- what I really meant was in 2009 I don't think you had anybody outside of state government really taking an interest in this issue. So you could study-- you could put a study on the shelf and it could just kind of gather dust. Maybe no member of the Legislature was interested in it. That isn't the circumstances you find yourself in now. Not only is our organization interested in this issue and will continue to press for a resolution; I think there are other organizations similarly situated. You had testimony when you had the hearing on LB361. There's a south of-- of-- South of Downtown Organization that's interested in this issue. There's neighborhood organizations that are interested in this issue. This issue is not going to go away. And that's not a threat. I mean it's just--

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DORN: No. Thank you.

BOB WICKERSHAM: --it's not going to go away.

DORN: Thank you for explaining that.

BOB WICKERSHAM: Yeah. It's not going to go away.

STINNER: Additional questions? Senator Wishart.

WISHART: In the previous study that was done, did they address other interventions as opposed to just, you know, building more parking lots? Did they address the idea of prioritizing ride shares, prioritizing people taking other forms of public transportation which would be less expensive?

BOB WICKERSHAM: I believe, Senator, there was some reference to public transportation. But again, that study is ten years old. There wasn't the emphasis on public transportation that there is now. There were several recommendations or are several recommendations in the study that related to management of existing parking structures and how to make the most efficient use of those. I, to my knowledge, none of those have been undertaken. But if you'd like the study or a summary of the study, Senator, I'm sure we can get that to you. It-- it's-- it's not that long. And-- and while I think that Senator Pansing Brooks indicated that I was an expert in this area, I don't think I'm an expert in this area. What I have, what I am is fairly knowledgeable now I think.

STINNER: Has anybody had done a study on what-- what people are willing to pay per month in parking?

BOB WICKERSHAM: Well, I don't know, Senator.

STINNER: Is it \$50? Is it \$100? Is it more than \$20?

BOB WICKERSHAM: I think if you ask the city what their monthly parking rates are, or the university what their monthly parking rates are, you might get an idea of what-- what is usual. To-- to know what people would be willing to pay to avoid coming in early and to playing musical parking a couple times a day, I don't know. But I don't think that, Senator, I don't know want to be-- I think I know the root of your question, but I think, again, if the kind of financial information that Senator Wishart was suggesting that you might obtain

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is there, I'm sure you'd tailor the-- any parking fees to what's necessary to construct and to maintain the structures.

STINNER: Well, here's what I'm trying to get to.

BOB WICKERSHAM: Yeah.

STINNER: Is it economically feasible for me, as an individual, to build a parking structure and have a decent rate of return; or am I really looking to the state and to the city to provide that as a resource-- two different ideas.

BOB WICKERSHAM: OK. Senator, I think that the city, and again, the city has been able to build a considerable amount of parking based on its fee structure. I don't think they've used general city resources. I am not sure whether they have financed that construction with bonds or not. Now my guess is that they have and that those bonds, because of their tax-exempt nature, in part at least, have offered an attractive return to investors. That would be an option, frankly, for the state as well. While the state can't-- I see Phil looking a little askance. I'm not suggesting, Phil, that the state issue bonds, but there are a set of statutes that exist that, in my opinion, could be used so the state takes a long-term lease with an option to purchase at the end and, in effect, finances a parking structure through that means. Phil that look quite as nervous now.

STINNER: And I think from the last hearing didn't we find out that these parking structures, the high-rise parking structure, had a 30-year to 40-year life on those?

BOB WICKERSHAM: Right. I think that sounds reasonable, Senator, yes.

STINNER: OK.

BOB WICKERSHAM: Although the "sate"-- the state now has parking structures that are older than that I believe, though. I think that one of the State Office Buildings may be older.

STINNER: It depends on how much maintenance you want to do.

BOB WICKERSHAM: Yes, sir.

STINNER: OK. Any additional questions? Seeing none, thank you.

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BOB WICKERSHAM: Thank you.

STINNER: Any additional proponents? Any opponents? Seeing none, anybody in the neutral capacity? Seeing none, Senator.

PANSING BROOKS: Well, thank you all for your good questions today. I did talk to did talk to Mr. Mixdorf briefly and he said that they could get a good feel about what people normally are willing to pay. And of course, I talked to one person who just mentioned of course it depends on the type of-- of parking facility we're talking about too. If you're talking surface versus covered versus, I mean that all plays into the whole mix as well. And that's exactly why we need a study, an experts' parking study. These people are trained and-- and know about what-- what types of things to look at, what people will pay, all of that. And also just again to your questions, question, Chairman Stinner, the-- many of the parking structures have been financed through bonds in the city. So anyway, I just wanted to thank the people that came today. Obviously Former Senator Wickersham and his group of fabulous former senators have really taken this to heart because they had trouble parking, and so they knew that our constituents were having that same issue every day. And so they've really ramped this up to a high level. And he is correct. This is not going to go quickly away because there are neighborhood associations that are in this surrounding area that are now on high alert. They're concerned about the fact they cannot get to their homes easily. They're paying property taxes and they're paying and want to be able to have appropriate access to their property rather than having to park blocks and blocks from where they live. Also I want to thank Senator Wishart. In the bill it does talk about the possibility of a public-private partnership and an intergovernmental partnership. So that was intended originally within that bill. And also I was hoping if-- if you all love this bill, I-- I was under the impression that if it becomes part of the budget bill, does it-- then you all have an E clause on your budget bill? No.

ERDMAN: My first year--

PANSING BROOKS: That's wrong?

STINNER: This would be a separate bill.

PANSING BROOKS: OK. So again, that's-- that's my misunderstanding of how it goes. But I'm happy. So thank you for pointing that out and for

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that information. And I just want to thank you all for your time and your good questions. Yes, Senator. Oh.

STINNER: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, Senator Pansing Brooks. This regarding the \$150,000, has someone told you that's an adequate amount to do a study? Has someone given you a figure?

PANSING BROOKS: Yes. I'm so sorry but-- and I wish I had had Mr. Mixdorf speak to that, but he said that would be sufficient to be able to do something like that, so.

CLEMENTS: And the time frame of January 2020 was--

PANSING BROOKS: He says that that's sufficient.

CLEMENTS: --[INAUDIBLE].

PANSING BROOKS: Again, he-- he's the one that directed us on this because he is the expert on this. And he's been-- he's had experience nationally, so.

CLEMENTS: All right. Thank you.

PANSING BROOKS: Thank you for asking that. Anything else?

STINNER: Any additional questions? Sorry.

PANSING BROOKS: That's OK. Thank you all.

STINNER: Seeing none, thank you. We do have a letter of support for by Shawn Ryba, the executive director with the South of Downtown Community Development Organization. And that concludes our hearing on LB171. We'll now open with LB232. Senator Slama. Sorry, Senator Slama. We were just talking about the last bill.

SLAMA: No worries.

STINNER: Thank you for your patience.

SLAMA: Absolutely.

STINNER: Good afternoon.

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SLAMA: Good afternoon. Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Julie Slama, J-u-l-i-e S-l-a-m-a, and I represent in District 1 in southeast Nebraska. I'm here today to introduce LB232, an amendment to a bill you-- it-- which adjusts a statute you heard in committee last year by Senator Dan Watermeier, LB861, which passed unanimously both out of committee and passed 44-0 on the final round of the floor. LB861 capped a county's liability for incidents at state correctional institutions at 2.5 cents per \$100 of taxable valuation of property subject to the levy. My goal with LB232 is to further cap a county's liability to 1.5 cents per \$100 of taxable valuation of property subject to the levy. Doing so would lower the financial burden a county faces when incidents happen at state corrections institutions. So for example, under LB861, in Johnson County their liability was approximately \$230,000, \$230,000 per incident in 2018 for riots at the Tecumseh State Correctional Institution. Under LB232, my estimate of the county's liability would be lowered to approximately \$138,000 per incident in 2018 numbers. I focus on Johnson County and the Tecumseh State Correctional Institution because it's in my district, and we've also been faced with two riots in the last five years. However, Johnson County isn't the only beneficiary of this legislation. Four other counties in Nebraska house state correctional institutions: Lancaster, Douglas, York, and Red Willow. All five of these counties would benefit from this legislation and the additional protections provided for riots that could happen at these facilities. In my opinion, a county should not be responsible for covering the discovery fees, expert witness fees, and related legal expenses of offenders who choose to riot at state facilities. A county has no control over what happens inside a correctional institution. And many of the prisoners in those correctional institutions are not residents of the county in which that institution is located. Because the state is responsible for keeping prisoners in check, why shouldn't the state be required to cover the bill when it comes up short? This bill represents a compromise of my preferred route of the state covering 100 percent of these costs. I understand that the state is short on revenue this year. That's why I've done my best to limit testifiers for the sake of the committee's time. You'll see that this bill doesn't have a direct "fiscal"-- fiscal note, and the funds from this bill would come from the General Funds for the Department of Corrections. I hope you take into consideration that the property taxpayers in Johnson County are just as tight in their budget and are on the hook for hundreds of thousands of dollars of expenses related to the 2015 and 2017 riots

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that they are unable to cover. This is a modest proposal which would provide additional protections for counties when faced with extreme incidents at state facilities. Thank you for your time and I would be happy to answer any questions you may have questions.

STINNER: Questions? Senator Bolz.

BOLZ: Senator Slama,--

SLAMA: Yes.

BOLZ: --do you expect a claim against the state for the 2018 Mother's Day riot?

SLAMA: I am unsure as to that. The focus of this bill are the fees that the county are expected to cover in-- related to those incidents, so in prosecuting the perpetrators for the crimes committed during those incidents.

BOLZ: Yeah. I mean, I-- I understand where you're going with this bill. What I'm trying to get a handle on is what kind of exposure we have right now. I think--

SLAMA: Uh-huh.

BOLZ: --the estimated cost of Tecumseh Mother's Day riot was about \$2 million.

SLAMA: Uh-huh.

BOLZ: --and so, to be fair, your point is understood that there's no direct fiscal note,--

SLAMA: Yes.

BOLZ: --but that doesn't mean that there's not a-- a fiscal impact or if we're not-- we're creating a "liabil"-- a future liability. And so I'm just trying to get my hands on-- around what that, what the practical, actual fiscal liability in the future might be--

SLAMA: Yes.

BOLZ: --if we see the claim against the state for the Tecumseh riot.

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SLAMA: Sure. And just to outline that again, thanks to LB861 from last year, we've established that cap. I would lower that cap by 40 percent. So for example, in Johnson County that would mean about \$90,000 in difference per incident.

BOLZ: So you're [INAUDIBLE] the increased exposure is an increased exposure of about \$90,000.

SLAMA: Yes.

BOLZ: OK. Thank you.

SLAMA: Yes.

STINNER: Senator Erdman.

ERDMAN: Thank you, Chairman Stinner. Senator Slama, so if-- if this goes into effect, it will-- it will not go into effect because this will be a separate bill, right, Senator Stinner?

STINNER: Yes, it will.

ERDMAN: So if we pass this and the Governor signs it, it will go into effect until September 6.

SLAMA: Uh-huh.

ERDMAN: And those counties are going to be making a decision about their budget prior to September 5-- 6?

SLAMA: Uh-huh.

ERDMAN: Would be important to have the emergency clause on this bill?

SLAMA: I don't believe so.

ERDMAN: You don't believe so?

SLAMA: No.

ERDMAN: OK. Thank you.

STINNER: Senator Clements.

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CLEMENTS: Thank you, Chairman Stinner. Thank you, Senator Slama. I see at the bottom of page 2 this will apply to any incident after May 1, 2015.

SLAMA: Yes.

CLEMENTS: So your intent is for the 1.5 cents to be effective retroactive back to 2015?

SLAMA: Yes, and that was the same goal with LB861, to enable Johnson County to have this cap in place for liability from both the 2015 and 2017 riots at TSCI.

CLEMENTS: All right. Do you have any figure on what the annual budget is for Johnson County overall?

SLAMA: Yes, I have that in last year's materials. Just a second. It's my understanding, if I'm remembering correctly, that this 2.5-cent cap would be about 5 percent of the county's total budget. And we also need to keep in mind here that, yes, it's just a difference of \$90,000 for the state, but for a county with 5,200 people total, this is a pretty significant sum.

ERDMAN: One point eight?

CLEMENTS: Let's see, if \$230,000 is 5 percent.

DORN: No, \$250,000 is 5 percent, not--

ERDMAN: She said it's \$90,000.

SLAMA: That-- that would be the difference. OK. So the 2.5 percent would represent-- the current cap would represent about 5 percent of the Johnson County budget.

DORN: The \$230,000 would be 5 percent.

ERDMAN: But the \$90,000 [INAUDIBLE]--

DORN: Of their-- of their full budget amount.

ERDMAN: Yeah.

SLAMA: Yeah.

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ERDMAN: So \$4.8 million.

CLEMENTS: No, it's \$4.6 million.

SLAMA: It would be \$4.6. The \$90,000 isn't 5 percent. The 2.5--

STINNER: [INAUDIBLE].

ERDMAN: OK.

SLAMA: Yes.

CLEMENTS: Four point six million for the annual budget for the county roughly. Thank you.

STINNER: Senator Bolz.

BOLZ: I-- I just-- I'm trying to think through this, this bill as it relates to the other counties in which there are correctional facilities. And I realize this is not what you're presenting, but there is a disparity because the potential obligation for Lancaster County in the circumstance of a riot is significantly higher--

SLAMA: Uh-huh.

BOLZ: --as it's compared to Johnson County. I appreciate that the argument there is that because they have different revenue streams. But if the argument that you're making is that the counties have no-- have no control, have no, you know, no responsibility or influence over what's happening in a correctional facility, should we just set a \$200,000 maximum for any county having to contribute to the repayment of costs related to a riot?

SLAMA: You know, I would be open to that or a concept where the counties aren't on the hook for these costs that happen in state institutions because, again, they can't control what happens there. But I-- with this bill I just planned on building off of what Senator Watermeier achieved in LB861. But I would be open to both of those options.

BOLZ: Uh-huh. Yeah. That-- that option, of course, puts significant more potential liability on the state--

SLAMA: Uh-huh.

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BOLZ: --because it is-- there's a significant-- I guess it depends on how likely you think that there will be-- that any individual Senator thinks that there would be another incident at one of the facilities--

SLAMA: Sure.

BOLZ: --[INAUDIBLE]. OK. Thank you.

STINNER: The four other counties that you talked that are-- that do have this exposure, do you have a total number for that, that would be exposed to the state?

SLAMA: Yes, I have here--

STINNER: Is it \$92,000 and-- from Johnson, what would be--

SLAMA: Yes. For Lancaster County I believe that number was \$5.8 million. I'm trying to find the numbers on the other three counties. I can get those to the committee members after this hearing, because I'm not finding those right now.

STINNER: OK. I think it would be a fairly significant number. But--

SLAMA: Yes. Uh-huh.

STINNER: --that said, I will pull an Ernie Chambers on you. You asked to have it in your area, in your-- and you do get the benefit,--

SLAMA: Uh-huh.

STINNER: --an economic benefit, from having that facility there. That's where I'll stop. So just wanted to make that for the record. Don't look at just one side of the transaction. There is some benefit to this. Senator Hilkemann.

HILKEMANN: Yeah. Are you bringing this for Johnson County?

SLAMA: You know, currently Johnson County is the only one of our state facilities that are on the hook for these expenses related to major incidents. This isn't just for Johnson County, though they are the only county that would directly benefit from this bill. However, this increases protections for the other counties where those facilities are present. So, yes, directly this is to benefit Johnson County, but

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it also covers those other four counties and their potential liability as well.

STINNER: Additional questions? Seeing none, thank you.

SLAMA: Thank you.

STINNER: Any proponents? Afternoon.

JON CANNON: Good afternoon, Chairman Stinner, distinguished members of the Appropriations Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the deputy director of the Nebraska Association of County Officials here to testify today in support of LB232. Senator Slama has covered this far more ably than I could, so I'll just keep this brief. As she had noted, this is for incidents that occur in a state correctional institution. The people are housing prisoners that are coming up from all across the state, not just the-- not just the particular county in which the institution is found. The prosecution is also undertaken on behalf of the people of the state of Nebraska, not just the people of Johnson County or whatever county but the institution is found. The effects are felt primarily by the state and, therefore, these expenses should be borne primarily by the state, which is the reasoning that was behind LB861 last year. I will note that in Johnson County last year the total valuation in that county was \$922,778-- \$922,778,281. The overall budget for the county, the county's total levy from property taxes was \$2,398,410. So with a 2.5 percent cap of \$230,000, based on those figures I just gave you, that would be roughly 10 percent of the county's entire budget according-- or, pardon me, of the county's property taxes levied. And since the bill is expressed in terms of the levy, that's why I thought it would be appropriate to bring forward to the committee. At 1.5 percent, that would be a cap based on last year's numbers of \$138,416.74. So that would be something a little bit less than that 10 percent figure of the total property taxes levied within the county. With that, I'd be happy to take any questions you might have.

STINNER: Any questions? Seeing none, thank you.

JON CANNON: Thank you.

STINNER: Any additional proponents? Seeing none, anybody that's an opponent? Seeing none, anybody in the neutral capacity? Seeing none, Senator Slama, would you like to close? Senator Slama waives closing.

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We have a letter of support from Richard Smith, Johnson County Attorney. And that concludes our hearing on LB232.