

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Transportation and Telecommunications Committee April 27, 2023

**MOSER:** My name is Mike Moser, and I represent the 22nd Legislative District in Platte County and Stanton County. And I serve as Chair of this committee. We'll start off having the members of our committee and committee staff do self-- self-introductions, starting on my left with Senator Bosn.

**BOSN:** Carolyn Bosn on behalf of District 25.

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

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

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

**MOSER:** On my right, we have our committee counsel, Mike Hybl. And our clerk is Caroline Nebel. And also observing is Lynne Woody. All right. We're hearing one bill this afternoon. On the table there at the entrance to the room are some blue testifier sheets. If you're planning to testify, please fill one out and hand it to the clerk when you come up to speak. This will help us keep an accurate record of the hearing. If you don't wish to testify, but would like to record your presence at the hearing, please fill out the gold sheet on the table near the entrance. There's also the note that the legislators-- Legislature's policy is, is that all letters for the record must be received by the committee by the day prior at noon to the hearing. Any handouts submitted by testifiers are also included as part of the record as exhibits. If you have any handouts, please bring ten copies and give them to the clerk. Testimony for each bill will begin with the introducer's opening statement. After that, we'll hear from any supporters of the bill, and then those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements, if they wish to do so. And we ask that you begin your testimony by giving your first and last name and spelling it also for the record. How many testifiers do we have today? Just two. OK. We'll be using a five-minute light system. When you begin your testimony, the light on the table will turn green. Yellow is a one-minute warning. And red light is the end, we ask you to wrap up your final thoughts. I'd like to remind everyone, including senators, please turn off your cell phones or put them on vibrate. With that, we'll begin today's hearing with LB600 with the amendment, AM1390. Senator Lippincott, welcome.

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**LIPPINCOTT:** Good afternoon, Chairman Moser and members of the Transportation and Telecommunications Committee. For the record, my name is Loren Lippincott, L-o-r-e-n L-i-p-p-i-n-c-o-t-t, and I represent District number 34-- 34. I'm here before you to introduce AM1390 to LB600, which establishes the Municipality Infrastructure Aid Program. This program was created in communication with the directors of Nebraska Department of Transportation, the Nebraska Department of Environment and Energy, also the Nebraska Department of Economic Development, and also the Governor's Policy and Research Committee to expand infrastructure and site development opportunities in Nebraska. The changes that led to AM1390 resulted in a new program requiring this hearing. While the program may be new, its structure and substance mirror the original impact of LB600. Initially, LB600 sought to broaden the Economic Opportunity Program created and funded via the Transportation Innovation Act. We sought to open the program funds to infrastructure improvements. Nebraska Department of Transportation Director Kramer expressed concerns with the expanding the program and using gas tax funds for nontransportation-related activities. And hearing this concern and using the Economic Opportunity Program's successful structure as a template, we worked with the state agencies to create the Municipality Infrastructure Aid Act. The substance of AM1390 mirrors the substance in our original LB600. The changes found in AM1390 are the creation of a separate fund for infrastructure and site development projects administered by the NDED. In cons-- in consultation with the Department, Nebraska Department of Transportation, and also the Nebraska Department of Environment and Energy, rather than housing the fund in the Nebraska Department of Transportation in consultation with the NDED and NDEE. Alphabet soup there. AM1390 seeks to further the Economic Opportunity Program's goal of economic development by allowing funds to be used to improve infrastructure that is often necessary for communities to improve their economic landscapes. Following my introduction, you'll hear from individuals with firsthand knowledge of how these funds will positively impact their communities. In my opening to LB600, I noted that the key to having construction-ready sites, and therefore abundant economic investment, is having infrastructure that we can support the needs of highly lucrative businesses. I discussed the BMW facility that considered, but decided against, Nebraska in 1992 that has generated more than \$16 billion in economic impact annually and 30,000 jobs in South Carolina. Nebraska missed out on that. AM1390 complements the Economic Opportunity Program by creating a program that is not limited to transportation improvements alone, but expands it to sewer, water, roads, bridges and other site development activities. AM1390 is a necessary tool in the economic development

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toolbox communities across the state can use to leverage and attract private business and drive economic growth. The legislative and cross-agency collaboration that led to AM1390 shows the importance of this program. Initially, we were seeking \$30 million in funding LB600. With AM1390, we have reduced that ask to \$10 million from the cash reserve. While the need for this funding has not been reduced, we hope the reduction will act as a sign of good faith and move us closer to making this program a reality for economic development in Nebraska. I've enjoyed working with everyone on this amendment and appreciate the committee's time and attention. My hope is that the committee would advance AM1390 to LB600 to General File as soon as possible so communities can continue the growth and vitality of our great state. Thank you, and I'm happy to answer any questions.

**MOSER:** All right. Are there questions for Senator Lippincott? Senator Brandt.

**BRANDT:** Thank you, Chairman Moser. Thank you, Senator Lippincott, for bringing this. What is the money going to be used for?

**LIPPINCOTT:** Well, we handed out this--

**BRANDT:** Right.

**LIPPINCOTT:** --little guy right here. And this is an example of something-- and by the way, we've got a young lady here from Grand Island that will talk about this more in depth. But there's an area that is directly to the west of Grand Island that is a prime site, as you can see on this map right here.

**BRANDT:** This is the old ammunition plant, right?

**LIPPINCOTT:** Yes. Actually, it would be to the east of that, but west of Grand Island. And if we get an area out there that's ready to host any type of business, on this handout, it showed in project number 1 there at the bottom of the page, there's 500 jobs that could be had in that position. Also, I talked with the Hornady people-- or I actually listened to the Hornady folks, went on a little tour out there. And just FYI, not to get into the weeds too much, because it's our last day of work here, but out at Hornady right now, they've got the casings, the primers, the lead. They right now get approximately-- they perform or they manufacture approximately one quarter of the primers, they get the other three quarters from Florida. And Hornady, Jason Hornady said, if they had the ability with utilities out in that, their neck of the woods, which this would provide, as an

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example, they could employ at least another thousand people and could make all of their primers there on site. So that's just an example.

**BRANDT:** So what you're saying is that this is for infrastructure?

**LIPPINCOTT:** Yes, sir, it is.

**BRANDT:** OK. All right.

**LIPPINCOTT:** Roads, sewers, electricity. Things that the city and state would produce.

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

**LIPPINCOTT:** Thank you, sir.

**MOSER:** Other questions? Bruce. Senator Bostelman, I'm sorry.

**BOSTELMAN:** Thank you, Chairman Moser. On page 1, line 24, it's the Community Development Law, what is that? Do you-- I mean, that was a new term for me.

**LIPPINCOTT:** I cannot tell you exactly what that is. But this young man back here knows. He can-- I don't want to mislead you or, or tell you incorrectly or--

**BOSTELMAN:** No, that's fine. That's OK. Question I have-- another question I have for you, as you're creating a new program.

**LIPPINCOTT:** Yep.

**BOSTELMAN:** So now this is gonna be another program we're gonna have to fund year after year after year.

**LIPPINCOTT:** I believe that this is a one-time ask. And it's cash reserve--

**BOSTELMAN:** You created a program. And now the program you can, as we often see, is year after year, people come in and just put more money into it and continue to expand it. But that's not your intention?

**LIPPINCOTT:** Correct. It's not.

**BOSTELMAN:** OK.

**LIPPINCOTT:** Yeah. The intention is this was, as I said in my opening here, it was a \$30 million ask. Now it's just \$10 million.

**BOSTELMAN:** Right.

**LIPPINCOTT:** And it would-- the nuts and bolts of it is to no more than \$5 million per project.

**BOSTELMAN:** I understand. I'm just putting stuff on the record, that's all.

**LIPPINCOTT:** Yep.

**BOSTELMAN:** That, that what your intention is, is that your, your intention is this is not be something that's going to continue on. But this is a one-time opportunity.

**LIPPINCOTT:** That is correct. Yes, sir.

**BOSTELMAN:** Thank you.

**MOSER:** Senator DeKay, you have a question?

**DeKAY:** Yes, thank you, Senator Moser. This is a program. Is this to build new, expand maintenance, all of the above or-- and what type of infrastructure? You're talking about water, sewer and electricity or--

**LIPPINCOTT:** Yes. The little handout that I gave you--

**DeKAY:** Well, OK, I see the water and wastewater.

**LIPPINCOTT:** Yeah. It talks about water in the fourth bullet from the top. Municipality Infrastructure Aid Program will support infrastructure improvements, and then in parentheses, water and sewer systems, roads, bridges and other site development activities. And that would be in cities of first, second class and villages. So it would be towns not including Lincoln and Omaha. So hopefully we're getting the spotlight put on Grand Island because Grand Island has missed the boat on a lot of different programs.

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

**MOSER:** So what I think you're saying is, though, that it's a grant program. People would apply for it and they would specify what projects they intend to spend the money on, and then they would be awarded a grant.

**LIPPINCOTT:** That is correct. Yes.

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**MOSER:** So it's a little less specific right now as to what it could develop into. Applicants would have to explain what they want to do with the money, and then the granting body, whoever that is, I've-- NDE, the Department of Economic Development, would decide who gets grants, I would assume. OK, other questions for the testifier? OK, thank you. I assume you're going to stay for closing?

**LIPPINCOTT:** Yes, sir. And also, you were given this handout from Southern Public Power.

**MOSER:** Yes.

**LIPPINCOTT:** And they too, the CEO wrote a little note saying that he thinks that this is a great program and can provide a lot of jobs in the area.

**MOSER:** OK.

**LIPPINCOTT:** Thank you, sir.

**MOSER:** Thank you. We received no letters for the record, proponents, opponents or neutral. So thank you.

**LIPPINCOTT:** Thank you, sir.

**MOSER:** OK. Anybody else here to speak in support of this bill? Welcome.

**MARY BERLIE:** Hello. Thank you. My name is Mary Berlie, M-a-r-y B-e-r-l-i-e, and I serve as the president of the Grand Island Area Economic Development Corporation. I'm here in support of LB600 and AM1390. The Cornhusker Army ammunition plant is the visual that you see on that handout that Senator Lippincott gave you all in Grand Island, and it was built in 1942. The 19-square-mile campus manufactured heavy ammunition, bombs and chemical compounds. At the time, this facility was state-of-the-art, and arguably provided central Nebraska with the largest economic boom in our history. When the Army decommissioned the ammunition plant in 1889, Grand Island and Hall County spent tens of millions of dollars to correct the intense soil and water contamination that spread throughout the five bomb lines and the two ammunition magazine areas. By the time Cornhusker was considered a suitable brownfield site, funds had simply run out for basic utility expansion and rail upgrades. There's 1,200 acres in the Cornhusker Army ammunition plant area that have been debilitated-- that have been declared blighted and substandard, and on paper are ripe for development. I say on paper because there is significant

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financial gap when recruiting new businesses to Central Nebraska, specifically the Cornhusker ammu-- Industrial Park and Energy Park, owned by Southern Public Power in Grand Island. We need help of the Legislature to take city water, wastewater and fiber the last mile to the campus through the passage of LB600 and AM1390. Today, over 700 folks are employed at businesses in the Cornhusker Industrial Park area. These industries, employees rely on water wells, septic tanks, leach fields to operate their businesses. And while these water sources are questionably efficient today, their future in Nebraska is capped. Grand Island and central Nebraska could have a very robust industrial park and rail network, but we lack the access and modernization to connect to current infrastructure. Our growth potential is really capped in cen-- rural central Nebraska. Again, I ask for your help with the Legislature to take water, wastewater and fiber the last mile of the campus. This really is filling the gap with the passage of AM1390 and LB840. Thank you. Oh, LB600 rather. Thank you.

**MOSER:** Thank you. Questions for the testifier? Let's take Senator DeKay.

**DeKAY:** Thank you, Speaker Moser-- or Senator Moser. Chairman Moser. You're-- you say the grants are limited to \$5 million per application, and this is a total ask for \$10 million. Are-- will there be separate grants ask or is there going to be \$5 million that could go to other communities or-- and if there is, how does that get spread out? And basically to what Senator Bostelman was asking about a little bit ago, how does this go forward if it's a one-year grant or is this going to be brought forward, going forward to try to keep this type of program going throughout the state?

**MARY BERLIE:** Sure. So the Grand Island project specifically is a \$6.5 million project. We would request the full \$5 million and application that's available and we would match-- we'd fill in the gaps with city, county and private financing to complete the \$1.5. I believe in the program there's a 25% cash match to the \$5 million in the program. And so that would allow other communities to utilize the program if they're ready to go. This project, if, if awarded, we could be done in 18 months. We have done all of the background work, and this is a fast project that would be long-standing impact.

**DeKAY:** Thank you.

**MOSER:** Senator Bostelman.

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**BOSTELMAN:** Thank you, Chairman Moser. Is this area within the city limits of Grand Island?

**MARY BERLIE:** It is not. It is not within the city of limits. It is within the two-mile jurisdiction, and it is within, within Hall County.

**BOSTELMAN:** So is the city looking to annex it?

**MARY BERLIE:** No.

**BOSTELMAN:** Did you mention fiber being extended?

**MARY BERLIE:** Yes.

**BOSTELMAN:** Who provides fiber to Grand Island?

**MARY BERLIE:** Currently, there are multiple fiber providers, including NebraskaLink, Hamilton, Allo, Charter.

**BOSTELMAN:** So why wouldn't they provide that fiber?

**MARY BERLIE:** They very well could if, if and when they get business.

**BOSTELMAN:** OK. Thank you.

**MOSER:** Other questions? Senator Brandt.

**BRANDT:** Thank you, Chairman Moser. Can you TIF this project?

**MARY BERLIE:** You can.

**BRANDT:** So why don't you just TIF this and then you don't need this program?

**MARY BERLIE:** We could. You could utilize tax increment financing on that. Again, we are just looking for additional assistance. We have fairly tapped out our city and county in funds with the cleanup and the demolition. We've demoed about 650 buildings out at that site to date. We've done extensive soil and water contamination cleanup. We just need the assistance to go that extra mile and then we're ready for business.

**BRANDT:** But this is exactly what TIF is for. If Hornady is going to spend, pick a number, \$100 million on a plant and we give them \$10 million of TIF that's to be used to build the infrastructure for that



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plant, that doesn't go against their property taxes and so on and so forth. I mean, why wouldn't-- have you explored TIF for that project?

**MARY BERLIE:** Yes. So the acres are current. There's 1,200 acres out there that are determined blighted and substandard, so we can--

**BRANDT:** Right. That's the first step.

**MARY BERLIE:** Yeah. So we can utilize tax increment refinancing with redevelopment plans in place. So that is an option. But this, this infrastructure benefits so much more than Hornady manufacturing. It could benefit the entire park out there and, and business projects that we don't even know yet. But it takes us off the quick "no list" for businesses that want to relocate to central Nebraska and puts us on the short list of "yes."

**BRANDT:** All right, thank you.

**MOSER:** OK. Thank you very much for your testimony. Are there other supporters? Welcome to Transportation and Telecommunications.

**RICK HOPPE:** Thank you, Senator Moser. I am Rick Hoppe, that's H-o-p-p-e. I am the Ralston city administrator. I think it'd be helpful if I answered a couple of questions that I know were of interest to committee. If we could start with Senator Bostelman's question about the community redevelopment law, that is a statute that lays out a process for municipalities and private sector investors to cooperate together to create an economic development project or redevelopment project. It lists-- it requires that the private sector put forward their responsibilities, what they'll cover. The city commits to what pieces of infrastructure or what other actions they will take in order to make sure the project is successful. It, it really is a key piece to allowing the public to participate in the process because it's, it's a pretty robust public process. You got to get through the planning commission and the community development authority, the city council, and it does make the project eligible for tax increment financing. The handout going around to you is our economic development project called the Hinge, which we're hoping LB608. To your point, Senator Brandt, the last page in this handout is why isn't TIF enough? Particularly in an area like ours, where it's a redevelopment as opposed to clean ground, there are a number of infrastructure challenges that go beyond the traditional laying some sewer, laying some water and putting in some transportation. One of the pieces we've acquired in conjunction with a private sector developer was a former shopping mall called Hillcrest Landing. It was

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built to withstand a nuclear blast. And that was the good news in 1950. The bad news is, into 2023 is, it was built to withstand a nuclear blast. It's going to be a horrific cost just to get that torn down. There's environmental remediation that's going to have to take place. It, it's an enormous project that in and of itself can suck up all of TIF on the project site, leaving us no money for the types of infrastructure development that allows the rest of the project to proceed. In our particular case, it's a \$250 million project, we're about \$100 million here and we're making some great progress. But it's going to stall out here in the near future because the 150 is really dependent on southern access of the project site to 72nd Street. Those of you familiar with the metro know it's an incredibly busy thoroughfare in Omaha. We need to have that southern access to make the rest of the project work. But the southern border of the Hinge, Burlington Street, ends at 74th. We need to go over Ralston Creek to get to 72nd Street. That's going to require an extension and a bridge. It's about a \$4 million project, and that doesn't even include the property acquisition, which we anticipate will be another 100-- 750-- \$75,000 to \$1 million. But there's such an amazing payoff for this particular piece that we feel very strongly that this type of program can move forward these projects where TIF isn't quite enough. I also want to make the point that tying it into community development law is a really important key feature of this legislation. The community development law allows us to do proactive infrastructure investment that isn't speculative. And what I mean by that is, in some cases you build a pad site, you put in all the infrastructure and you're hoping to attract economic development. Well, that doesn't always pan out and you've made the investment. By tying it to the community development law, you're ensuring you already have a partner identified. A private sector investor has stepped up. They've put their interests forward in making this all happen and they've gone through a rather rigorous and costly process to get to the point you're talking about. So when you put in those dollars as a municipality, you have a pretty good assurance that they're going to follow through. Now, I wouldn't say you're married, but you're certainly engaged. And that's why tying it to the community development law helps us be proactive without being speculative. As I mentioned, that also provides a level of public process to ensure the project is very well thought out, that it fits the needs of the community, and that you've got some public consensus around what is being proposed. And I thank you for the time and would be happy to answer any questions that you have.

**MOSER:** Questions? Senator Bostelman.

**BOSTELMAN:** Thank you, Chairman Moser. I'm sorry I missed your name.

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**RICK HOPPE:** Rick Hoppe. I'm the city administrator for Ralston.

**BOSTELMAN:** OK. It seems to me I've seen you this before, before this committee, haven't I?

**RICK HOPPE:** Yes, the original LB600, I did hand that out to you.

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

**MOSER:** Other questions? Senator DeKay.

**DeKAY:** Thank you. With these projects and with these type of grant, do you guys have any industry or businesses that are ready to sign on the line or are you-- that are going to be ready to go when you have the infrastructure in place? Or do-- are you going to go fishing for industry after that?

**RICK HOPPE:** We've already got a couple of projects out of the ground, totaling about \$40 million. And, and we just closed on Hillcrest Landing with our private sector partner. That's going to be about a \$60 million development. You'll hear more about in the next couple of years after interest rates stabilize a little bit. We are in the process of signing a purchase agreement for a couple of more properties that will fill in the rest of this. We'll offer that up as an RFP, but we've already had developers say to us, if you can get control of property, we will be there with the project. So the bridge really is the last piece to make this go.

**MOSER:** That it?

**DeKAY:** Yep. Thank you.

**MOSER:** Senator Brandt.

**BRANDT:** Thank you, Chairman Moser. What's your city sales tax right now?

**RICK HOPPE:** It is 1.5.

**BRANDT:** OK. Can you use that last half on this project or not? Does this qualify for that?

**RICK HOPPE:** We'd have to pass, I, I think it's an LB840 program--

**BRANDT:** Right.

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**RICK HOPPE:** --you have to get past the voters for economic development. Theoretically, yes. I, I think we'd have a hard time getting that done, frankly. And that's why this kind of one-time approach would work a little bit better for our needs than an ongoing tax for economic development.

**BRANDT:** But surely the voters of Ralston would see the value of this and support this. I mean, that would be like a canary in a coal mine. I mean, if, if the locals don't want to support this, why should the state?

**RICK HOPPE:** Understood, Senator. It's not so much that the locals won't support it. It's the length of time it would take to make this happen, to implement the program. I've got a developer ready to go or several developers ready to go right now. We really need to make this happen in, in a much more timely fashion. If this passes and the rules and regs get implemented, we could have this much more quickly than ever going through the LB840 process.

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

**MOSER:** OK. I have a question about the TIF financing. What's your levy with your school? Everything's at around 2%?

**RICK HOPPE:** 2%?

**MOSER:** Your property tax levy.

**RICK HOPPE:** The city's overall levy is right around \$0.68.

**MOSER:** But the school plus the city plus the county, almost--

**RICK HOPPE:** Yeah, it's a little over two bucks. Yes.

**MOSER:** Yeah. So if you went 15 years and you could get \$30 million, not 20, say 2%. About 200--

**RICK HOPPE:** 30-- well, and as I mentioned-- well, yes. But listen, there's, there's, there's a caveat as to why TIF doesn't work so great in these projects. That assumes that the assessor values the property at what you hope it's valued at, because you're borrowing kind of speculatively. OK? If those dollars don't come in, then the developer is on the hook for whatever they're short. As you can imagine then, that encourages them to be a little more conservative with their estimates. So fairly typically, they estimate a 10% TIF as opposed to a 15 or 20% TIF. Can that come in? Yes. And if that does happen, then

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the note gets paid off more quickly. But the challenge is getting the private sector to back the note when they are not sure if the dollars will always be there because of, of the process of assessing the property.

**MOSER:** Yeah. What county is this in?

**RICK HOPPE:** Douglas.

**MOSER:** Douglas. OK. All right, any other questions? Thank you very much.

**RICK HOPPE:** Thank you.

**MOSER:** Anybody else to speak in support? Come on down. Welcome to the Transportation and Telecommunications Committee.

**LYNN REX:** Chairman Moser, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We're here today in support of AM1390. We also supported LB600. This is a different approach than LB600 with, I think, basically the fundamental process being the same in terms of trying to get grant moneys and infrastructure moneys to municipalities. The reason I'm handing this handout out, which is the same one-- thank you-- that I handed out when I testified in support of LB600 is because I would like to reference a couple of things. One. Some of you have heard this before, so I'm not going to go through the entire explanation because we don't have enough time for that. But essentially, municipalities don't have a, quote, state aid to municipalities, as you know as the former mayor of Columbus, Nebraska. So basically what we're talking about here is trying to provide infrastructure funds to municipalities, \$10 million, a minimum \$5 million grant with a 25% match. And I'm not here today to talk about the specifics of these two important projects, but rather just to talk to you generally about the fact that efforts that have been there in the past for, quote, what was state aid municipalities, which essentially was a replacement for partial, though inadequate, replacement that the Legislature provided for livestock, farm equipment and business inventory when those property tax exemptions were put in play, that just on those three loan we had what was ultimately became known as state aid. And that's because of Supreme Court opinions and other things that I will not bore you with this afternoon. So we also had a Municipal Infrastructure Redevelopment fund that started in 1989 with passage of LB683. Every time the Legislature, your predecessors, not you, but your predecessors, had a

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fiscal crisis, which happened over and over again, in stark contrast to the kind of dollars you're looking at today, every time the cities, the municipalities, cities, counties, villages, NRDs took cuts. Schools did, too, to some extent. But in any event, what was told to us at the time was that when the Legislature has more funds then we'll try to backfill, we'll try to give you some funds for infrastructure. In six-- with passage of LB683, one of the things that happened with that important bill was to say that we're going to give you \$4.5 million for 20 years. Some cities, Lincoln, for example, bonded with that. But the point was for infrastructure, and it was very broadly drafted. Just very similar to what you have in this AM, which is streets, roads, sewer, water, that sort of thing. And over time, that was also cut to the point that if you look at the last sheet, the most important thing is you can just look at the last sheet, which kind of says it all. There's basically nothing there except in this municipal equalization fund, in a few dollars there, which basically are funded from other cities. So to cut to the chase, we're here today in support of this because municipalities do need funds for these important types of projects, which also generates money for the state of Nebraska. One of the things that I think is so important to realize is that certainly the number one economic driver in the state, without a doubt, is agriculture. I don't think anybody can doubt that. The university is an economic development driver, but so are municipalities. Because that's where economic development projects and programs happen in and around cities, unless it's an ethanol plant, in terms of just making sure that we have the workforce and doing what is necessary to make sure we have the infrastructure in place. So these kinds of things really matter. Infrastructure matters. Because if you don't have infrastructure, you're not going to attract the businesses. And if you don't have the businesses, it doesn't matter if you attract the people because you won't need to have any jobs for them. So this is really important, and I'm happy to answer any questions you have. We're just here today to explain and try to provide some type of a backdrop as to why this type of bill is really important.

**MOSER:** OK. Questions from members of the committee? I guess none. Thank you very much.

**LYNN REX:** Thank you.

**MOSER:** You must have been very thorough.

**LYNN REX:** Or it's been a long day for you. And I understand that, too. So thank you very much for your consideration.

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**MOSER:** Just another day in paradise.

**LYNN REX:** We appreciate Senator Lippincott introducing this important bill.

**MOSER:** Sure.

**LYNN REX:** So thank you.

**MOSER:** Thank you. More testifiers in support? Is there anyone here to testify in opposition to this bill? Is there anyone here to testify in the neutral? Well, Senator Lippincott, you're welcome to close on your bill.

**LIPPINCOTT:** About 60 seconds. It's been brought to my attention that TIF only applies within a city limits. So outside the city limits, that would not be an issue. Also, on page 2 of the bill itself, I believe that each one of you have that, I'd like to just read two sentences between line 13 and 20, which covers something that I failed to cover in my opening. Line 13 of page 2: A grant shall not be awarded to an eligible grantee if the eligible grantee does not provide a positive cost-benefit analysis of the redevelopment plan approved under the community development law or the eligible grantee does not provide matching funds in the amount of at least 25% of the amount of the grant. So skin in the game, in essence. Then one additional sentence: An eligible grantee shall not be awarded a grant of more than \$5 million for any single application.

**MOSER:** OK. Questions for Senator Lippincott? Senator Bostelman.

**BOSTELMAN:** Thank you, Chairman Moser. With that, page 2, line 19 and 20 then, I would take that to mean that would be perhaps different locations, different cities.

**LIPPINCOTT:** Correct .

**BOSTELMAN:** One city getting-- doing \$5 million and \$5 million to get their \$10 million project.

**LIPPINCOTT:** That's the way I understand it.

**BOSTELMAN:** Yeah.

**LIPPINCOTT:** Yep.

**BOSTELMAN:** OK. Thank you.

**LIPPINCOTT:** Um-hum.

**MOSE:** All right. Other questions? Thank you, Senator. This would conclude our hearing for today. Thank you for attending. We're going to have an executive session, so we would appreciate everybody clearing out so we could go into executive session.