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somebody had to buy out the lease. That's fine. That's what they should do. Now the issue of how much has been returned on the real estate...

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: ...as opposed to what is a valid investment strategy, the real estate has a return that is composed of two components: one, the immediate cash return that I think Senator Baker was indicating is around 4 percent; and the other is appreciation in value. And, again, because of the way lease rentals are calculated, lease rentals are constantly increasing as leases expire and are renewed based on appreciation in value, because the lease itself is stated at 4 percent of value. There is a circular process for determining that value for rental purposes and that is a capitalization of leases for similar property at 4 percent. So it is...it is rather circular, but you do, once you know what rentals ought to be garnered from that kind of property, you can arrive at a capitalized value and you can arrive at a minimum lease, and if you choose to do so you can use that to establish...

PRESIDENT MAURSTAD: Time.

SENATOR WICKERSHAM: ...a minimum offer and a sale.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Senator Wehrbein, on the Wickersham amendment.

SENATOR WEHRBEIN: Mr. President, members of the body, I just want to make some observations because I'm not all that familiar with school lands in my part of the country, but I do disagree with the point I think that Senator Chambers is trying to make and the fact that this bill is a deliberate attempt to provide an incentive or a low price value on the land. All this bill does, all this is going to say is that you have to start with an established price that I would call common sense reasonable. I sit here and figure what land is going for in my area and I take 25 times that. It ends up way beyond the market, and my area is absolutely high priced. No matter how you cut it, it's a...I think it's an unrealistic starting bid. I can understand that they could say that this would be the bid that you'd have to