

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 28, 2025

**McKINNEY:** OK. Thank you. Welcome to your Urban Affairs Committee. I am Senator Terrell McKinney from Omaha, representing District 11 in the, in the Legislature. I serve as the chair of the committee. The committee will take up bills in order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets on the back of the table for each bill. These sheets will be included as an exhibit for the official hearing record. When you come up to testify, please speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill and opponents, and, finally, anyone speaking in a neutral capacity. We will finish with the closing statement by the introducer if they wish to give one. We will, we will be using a 5-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you will have 1 minute remaining. And the red light indicates you need to wrap up your final thoughts and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of bills being heard. It is just part of the process as senators may have bills to introduce in other committees. A final few items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://nebraskalegislature.gov). Written position letters will be included in the official hearing record, but only, but only those testifying in person before the committee will be included on the committee statement. I will have-- I will now have the committee members with us today introduce themselves starting at my left.

**QUICK:** I'm Dan Quick.

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**SORRENTINO:** Tony Sorrentino.

**ANDERSEN:** The other left.

**SORRENTINO:** I think the other left. I'm Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

**ANDERSEN:** Bob Andersen, representing District 49, is northwest Sarpy County in Omaha.

**CLOUSE:** Stan Clouse, District 37: Kearney, Shelton and Gibbon, Buffalo County.

**ROUNTREE:** Vic Rountree, Legislative District 3, representing Bellevue and Papillion.

**QUICK:** And now, Dan Quick, District 35, Grand Island.

**McKINNEY:** Thank you. Also assisting the committee today, to my left is-- well, to my right is legal counsel Elsa Knight; and to my left our committee clerk Sally Schultz. Our pages for the committee today are Emma Jones, she's a junior at UNL, she's a political science major; and Arnav Rishi, a junior at UNL, political science major as well. And thank you. Today, we will start with LB286.

**CLOUSE:** OK. Thank you, everyone. Senator McKinney will give the opening statement on this particular bill and then we will open it up for questions and comments and [INAUDIBLE]. Senator McKinney.

**McKINNEY:** Thank you. Good afternoon, everyone, and welcome to this meeting of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11 in the Legislature, which is in north Omaha. I'm here today to present LB286. LB286 changes provisions relating to the application deadlines under the Nebraska Innovation Hub Act and the Nebraska Rural Projects Act. Here, the deadline is changed to December 31, 2025. This is a simple change. LB286 was created in order to fix a drafting error in LB1344 in 2024, which did not appropriately update the iHub or rural projects deadlines in accordance with the bill. Inserting a deadline here provides clear guidance and transparency to applicants. And with that, I appreciate your attention to the subject and I'll try to answer any questions. Thank you.

**CLOUSE:** OK. Thank you. Any questions from senators? OK. You'll be-- close. Yeah.

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**McKINNEY:** Thank you.

**CLOUSE:** With that, we'll open it up. Do we have any proponents for LB286? Do we have any opponents? Do we have any in the neutral capacity? OK. And we have no comments online. OK. Thank you. Senator McKinney waives close. OK. Thank you. Next, we have LB289. Senator McKinney.

**ANDERSEN:** Is it too late to ask a question on LB286? Is it too late to ask a question on LB286?

**McKINNEY:** All right. Thank you.

**ANDERSEN:** Senator, can I ask you a question on LB286?

**McKINNEY:** Yes.

**ANDERSEN:** Real briefly. I apologize for being tardy.

**McKINNEY:** No problem.

**ANDERSEN:** So extending a deadline out to 2025, especially for the health and innovation hub zone, right, why, why do we need to extend it? Is, is there, is there certain challenges with it?

**McKINNEY:** Well, currently, currently there is no deadline. There was supposed to be a deadline added last year for December 31, 2025.

**ANDERSEN:** Yeah.

**McKINNEY:** But it didn't get added in drafting and we're just fixing it because the, the deadline didn't get added for the application.

**ANDERSEN:** So there are proposals waiting [INAUDIBLE], but they just need to make sure that [INAUDIBLE]?

**McKINNEY:** Just making sure there's a deadline in place.

**ANDERSEN:** OK.

**McKINNEY:** Yeah.

**ANDERSEN:** Thank you.

**McKINNEY:** No problem.

**CLOUSE:** OK.

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**McKINNEY:** Thank you. Good afternoon, everyone, and welcome to this meeting of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y. I represent District 11. I'm here today to present LB289. LB289 is a municipality issue bill brought to us by the League of Municipalities. It contains three separate provisions. Firstly, this bill allows villages to have three village board members with the vote of the people. Currently, state law requires villages to have a five-board, have a five-board member. This provision of LB289 comes from smaller villages reporting having difficulties in finding and recruiting members to serve on the village board. Secondly, LB289 allow-- allows large retail chains to receive LB840 funds. The current language of the LB840 statute reflects the Drafter's intent of ensuring, of ensuring large retail chains are not eligible for LB840 funds. This provision of LB289 comes from municipalities that believe they can make appropriate decisions to, to do what is in the best interest of their communities. The change in LB289 provides municipalities with the flexibility needed to do-- needed to attract retail businesses to their communities. Finally, LB289 allows city councils of the first and second class to constitute the board of adjustments. Board of adjustments are given authority to hear and decide appeals when it is alleged there is an error in any decision made by the-- made by an administrative official or agency of any zoning regulation. Boards of adjustments also deal with regulations related to-- relating to the location and soundness of structures, interpreting maps, and granting variances. Currently, villages have the option of allowing their village board to serve as their board of adjustment. This provision of LB289 comes from the first and second class municipalities reporting difficulty of finding interested and knowledgeable people to serve on boards of adjustments. Due to the fact that smaller cities have fewer variances to deal with and, therefore, can go for long periods without having their boards of adjustments meet. Behind me are representatives from the League of Municipalities who will be able to answer any questions that the committee might have. And I appreciate your time. Thank you.

**CLOUSE:** OK. Thank you, Senator. Any questions for Senator McKinney?

**ANDERSEN:** Senator McKinney, the removal or the, the barring of the, the, the large retail stores. All right, so now it'll open up to-- or allow municipalities to determine whether they are going to allow the large retail stores or not. Right?

**McKINNEY:** Yeah.

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**ANDERSEN:** Are there any concerns that some of the large retail stores might dominate the municipality as opposed to small businesses coming in and being given preferential treatment?

**McKINNEY:** I think that-- I think in fairness, that probably is a natural concern. I think what the smaller villages and communities might say is that they want to keep some type of local control to kind of determine who or what is coming into their communities. So I, I think that's why they want the change to try to have a little more flexibility of individuals coming in, but also trying to make themselves more attractive to different, you know, opportunities for different jobs and job growth, especially in smaller, smaller places that may not seem as attractive to different retail spaces currently because of that restriction.

**ANDERSEN:** Yes, I'm a, I'm a big believer in the power staying at the lowest possible level, right? Local control is far better than, than higher. But what we've seen with some of the grocery stores, some of the big chains, you know, you end of seeing-- there's no more mom-and-pop stores anywhere because the big chains just dominate. So I-- I guess, I concur with giving the abilities of a decision-making process to the local people. But I think there are some concerns about what these large retail stores can actually do to a neighborhood.

**McKINNEY:** Yeah, I, I understand fully. So thank you.

**ANDERSEN:** Thank you.

**McKINNEY:** No problem.

**CLOUSE:** Thank you. Any, any other questions? I have one. This primarily just deals with the LB840 funds, not really the authorization of who can then-- it's how those LB840 funds are distributed. Is that correct or do we wait for another testifier?

**McKINNEY:** Yeah, wait for the League.

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you.

**CLOUSE:** Any other questions? OK, thank you, Senator.

**McKINNEY:** No problem. Thank you.

**CLOUSE:** OK. Do we have any proponents? State your name and spell it.

**GREG BUTCHER:** Good afternoon, Senator Clouse, Senator McKinney, committee members. My name is Greg Butcher, G-r-e-g B-u-t-c-h-e-r, and I appear before you today as the city administrator of the great city of Seward. I want to thank the committee and the League of Municipalities for your willingness to put forth this legislation. I will primarily focus my testimony here on the elements of LB289 that relate to LB840, economic development program that is found in Section 4 of the bill. The original LB840 bill was passed in '91. And, as you know, LB840 programs are locally created, voter-approved programs to put forth revenues to fund qualifying economic development action. In 1994, LB1188 added that retail trade could be a qualifying business for LB840 funds. But it had a limitation, only 40% of revenues generated each year could go to retail trade and 20% of revenues generated for your program over a 5-year period. So you have to keep track of the accounting throughout your LB840 program. The limitation on retail trade is predominantly found within first-class cities, and it was meant to ward off big box retailers and those businesses that were perceived as driving out mom-and-pop small businesses. As LB840 programs have developed over 30 years of existence, municipalities have seen how the limitation on retail use has hampered development. Over the past 30 years, numerous cities have learned that LB840 programs have become the primary driver of small independent projects and specifically retail projects. The other main economic development tool available to municipalities is tax increment financing, TIF. But TIF does not generate the-- where LB40 doesn't-- oh, sorry, my apologies. TIF doesn't generate the significant program income in older buildings, traditional downtowns in Nebraska main streets. You can't build up the assessed value highly enough to really get a return on your investment. But from small coffee shops to locally made home goods stores, local cafes and eateries, craft breweries, independent restaurants, local grocery stores, these retail businesses have become the lifeblood of our communities, giving rise to local entrepreneurship, diversifying our labor market, and reforming our downtowns and main streets. A small local retailer can be the catalyst for development investment. With oversight by city councils, city administration, LB840 committees, the required Citizens Advisory Review Committee and the voters of each municipality, which have to approve and then reauthorize your LB840 program, there are numerous stop gaps to ensure funds are going to the areas communities need most. LB289's provisions would remove the 40% and 20% restrictions on LB840 revenues going to retail trade over given program years. This will ensure the communities use the funds in ways they deem to be best to fit their specific needs. I encourage your support for the bill and be happy to answer any questions. I'll also note, since I'm still at a

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green light, the city of Seward is also in favor of the zoning item that's also included in this bill, and we're a part of that discussion. If I can answer any questions.

**CLOUSE:** Thank you. Any questions for Mr. Butcher?

**GREG BUTCHER:** If, if I could, then just-- oh, Senator, my apologies.

**ROUNTREE:** Thanks so much. Mr. Butcher, so if we go ahead with this bill and it removes those restrictions, how do you see them impacting your development in the city of Seward?

**GREG BUTCHER:** Right now, we're up against the wall. If any of you ever visited the downtown square of the city of Seward, we have beautiful downtown buildings. But when we have empty storefronts and we have issues, it is hard to move anything without the opportunity of economic development. Retail breeds retail. If you get people walking past storefronts, that's exactly what the person next to you wants to see in those storefronts is somebody looking at it and going, oh, this is a new clothing shop or this is a-- we have a brand new downtown bookstore, coffee shop. And so those opportunities kind of generate each other. Like I said, they're the catalyst as you start bringing them in. We're up against the wall. We tend to find that LB840 predominately drives small retail and small businesses where TIF, with its ability to leverage, you know, high dollars on a \$50 million industrial project, has a different flavor and feel to it. And so we really felt that after doing this for 30 years, 20 years, in the case of the city of Seward, that we really defined that most of our LB840 funds just don't push the needle for big box retail. It really does on the TIF side. And so I think this would be an incredible addition to us and allow us to continue to give funds where they're desperately needed to build that sense of entrepreneurship locally.

**CLOUSE:** OK. Thank you.

**ROUNTREE:** Thanks so much.

**CLOUSE:** Any other questions for Mr. Butcher? OK. Thank you.

**GREG BUTCHER:** Thank you.

**CLOUSE:** Anyone else?

**GREG BUTCHER:** And I do have copies of my testimony, as well, I'll leave here.

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**CLOUSE:** Anyone else testifying as a proponent?

**ROBERT COSTA:** Good afternoon. Thank you, Mr. Chair, Mr. Vice Chair, and members of the Urban Affairs Committee. And thank you for introducing LB289. My name is Robert, R-o-b-e-r-t, Costa, C-o-s-t-a, and I am the community planner for the city of Yutan, Nebraska. I stand before you because Yutan is experiencing something known as committee fatigue. Basically, difficulty finding available and qualified residents for our boards and committees. Oftentimes, this results in appointing one person to multiple groups or not fully appointing these groups at all. For this reason, we support the entirety of LB289 and, specifically, Section 5, which relates to the zoning board of adjustment in first- and second-class cities. Now, I have in my notes here, questions welcomed. I recognize that I am speaking to the Urban Affairs Committee and I recognize that this is also your bill. So I don't think I need to walk you through what a board of adjustment necessarily is, other than it is a quasi-judicial body typically consisting of volunteer citizens that address zoning issues. That said, if you have any questions about beyond that, what it is, what it does, how it's supposed to function? I welcome those questions. Now, Section 5 allows cities like Yutan the option to basically take the pressure off of our time-strapped citizens from serving on another board and place that pressure directly on those who already make tough decisions. In our case, it's the city council. Now, I believe that citizen-based boards and committees are actually important to providing public participation in the governing process. That said, in smaller communities like Yutan, that's not always practical or simple. It's especially worth noting that quasi-judicial bodies have a unique and significant role to play in society, more so than other casual committees. In the board of adjustment's case, they make important legal decisions that impact land use and property development. And these are not matters that are-- well, I should say, should be taken lightly by someone who's had a busy day and maybe a busy family life and hasn't had the chance to read the staff report and seriously consider the facts. Basically, we see Section 5 as a simple, clever, and unique solution to these problems. This will allow us to continue focusing on good governance and allow our volunteer citizens to focus their time and attention specifically on other boards. Once again, thank you for this opportunity and I really appreciate this being introduced into the legislative session.

**CLOUSE:** OK. Thank you.

**ROBERT COSTA:** Thank you.

**CLOUSE:** Do you have any questions, Senators?

**ROBERT COSTA:** Thank you.

**CLOUSE:** Are there any other proponents?

**LYNN REX:** Senator Clouse, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. First, we'd like to thank the committee for introducing this bill. As noted by the chair, this bill combines three different contexts. The first one I'd like to reference with you is Section 1 and a couple of the first sections dealing with basically villages. This would allow villages to have the option to go from five village board members to three. And it sort of relates to the, the, the conversation and testimony of Robert Costa a few minutes ago and that is trying to find enough citizens willing to step up and participate. This bill actually was brought forward to Senator Hughes, who then brought it to the League and is from the village of Surprise. No surprise, Surprise is having a really rough time finding people to serve, finding enough people to serve, and literally they can't get a quorum. And so as a, as a consequence, I mean, they're asking for the same right, frankly, that counties have. Of the 93 counties, about 50 of them or more already have 3 commissioners, not 5. They also have that choice. But this is a little bit lengthy in terms of the number of sections, simply because it deals with the issue of when, when a village is created by petition, when a village then is deciding to raise or lower the number of elected officials, and that requires a vote of the people, whether it's by petition or by vote of the village board itself. So we think that that is very important and pretty practical. And I, I don't know if it's just something that is occurring more and more throughout our cities, but even the larger cities are having trouble finding and trying to recruit folks to run for office. In addition, you've already looked at the provisions of Section 4, and Mr. Greg Butcher from Seward walked you through this. This deals with LB840 plans and Article XIII, Section 3 of the Nebraska Constitution is a prohibition against lending the credit of the state because of the number of municipalities that came to us back in the '90s, actually '80s and '90s, saying that they would like to have the ability to try to basically determine their own destiny and be able to use public funds for a private purpose. For example, in cities that want to be able to assist private businesses during COVID with daycare expenses and things like that, that is constitutionally prohibited unless there's an exception to the constitutional prohibition. So the League put in-- well, I should say the Legislature put in, the senator was kind enough to introduce LR11CA, that was

placed on the ballot in 1990 that passed overwhelmingly. That is Article XIII, Section 2 of the Nebraska Constitution, which is an exception to the prohibition against lending to the credit of the state. That is the LB840 plan. It's called LB840 because in 1991-- 1999-- 1991, rather, Governor Ben Nelson, this was his economic development proposal to basically implement LR11CA to say that with a vote of the people, municipalities could make a determination to use local sources of revenue for economic or industrial projects or programs, but it takes a vote of the people. So in Seward and the other 80-some municipalities with LB840 plans, Grand Island has one, for example, it's very, very active. These are things that are happening all across the state that really help communities. So I think that Greg Butcher outlined why this is so important, because as he noted, TIF is really great when you're looking at larger corporations, larger projects. But this is something that really assists small businesses and others, and it's been very, very valuable. But, again, not all municipalities have this authority. We have 528 municipalities in the state of Nebraska. Again, we only have about 80 that have voter-approved LB840 plans. And except for one, they're all funded with local option sales tax. The other provision which Robert Costa outlined for you is in Section 5, an amendment to Section 19-911. And this, again, we think is just in keeping with enabling some more flexibility in the local level, especially when it's becoming increasingly difficult to get folks to, to step up and serve. So I'm happy to answer any questions that you have. We really appreciate the committee introducing this bill. We think these are things that do give local control and local flexibility where needed. With that, I'm happy to respond to any questions.

**CLOUSE:** Thank you, Lynn. Any senators have any questions? Senator Quick.

**QUICK:** Thank you, Vice Chair Clouse. Like the board of adjustment, what, what do they actually do? I mean, what, what do they oversee?

**LYNN REX:** OK, so the board of adjustment, what they basically do is they're a body and their, their basics in terms of what their role is, is in 19-910. You don't happen to have that provision because that's not one being amended. You're amending 19-911. But, for example, it says the board of adjustment shall be subject to appropriate conditions and safeguards. And they have the following powers, and they're very limited in what their powers are, to hear and decide appeals when there's some kind of administrative error, to hear and decide, in addition, any zoning regulations, request for interpretation of a map, when by reason of exceptional narrowness or

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whatever, they can also make exceptions. And so with respect to this, one of the things that's happened is that I was really surprised that even in cities the size of Grand Island, and I cannot speak to Kearney, as a former mayor, that the number of times, the few times that boards of adjustment really meet. And I think that's what Robert Costa was referring to. So in some of our larger cities, cities of the first class population 5,000 and over, some of them, their board of adjustment only meets once or twice a year at most. And so to try to bring people up to speed is really untenable. So I think that's why it's important just to have the city council itself serve in that position if the city chooses to do that.

**QUICK:** Thank you. I, I just have one. OK.

**CLOUSE:** Any other-- Senator Sorrentino.

**SORRENTINO:** Thank you, Vice Chair. You're probably speaking to a, a group of people who understand the unwillingness to run for public office so I will let that one go. My question is, when we drop from five to three on these committees, and I understand it's hard to get people to do that, we have a 40% drop in those people, do we run the risk at all of the very, very, very few speaking for the majority and aren't we down to two or one next? Where do we stop? Where's the bottom?

**LYNN REX:** I understand the question. I mean, basically our concern, too, is an Open Meetings Act question because-- and this is, of course, what 50 counties, 50 of our 93 counties face with only having three commissioners. If you have three instead of five members of the board of adjustment, that means when two of them meet, if they're discussing municipal business, they're in violation of the Open Meetings Act unless they've gone through the dance of Article-- Chapter 84, Article XIV. So there are consequences to this. By the same token, when this came through our League legislative committees, of which Robert Costa and Greg Butcher are on both committees, I mean, one of the things that came out is just simply again, underscoring how difficult it is, increasingly difficult to get folks. And certainly folks, I'm perhaps not being fair here, but in their 30s and 40s willing to step up and, and to, to participate in their government. And so I think that it's just more and more trying to figure out what we can do to incentivize folks to basically run for public office or to accept these types of positions. And I think one of the issues, too, used to be that when certain decisions are made, and certainly when you're dealing with zoning and other sorts of things, one of our mayors years ago, which I'm-- Mayor Clouse, former Mayor Clouse may

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know, and now Senator Clouse, was Skip Hove who was the mayor of Minden, Nebraska, and he also then was head of the FDIC. At the end of the day, he ended up resigning as mayor of Minden because he was having folks say: I will not come into your bank. I will not do business with you because of what your decision was on a variance or what your decision was on something else. And so the good news about local control is that it gives you the authority to make important decisions on behalf of your citizens. The bad news about local control, once in a while, the challenges are that you will be held accountable for those decisions. And he was prepared to be held accountable, but he wasn't prepared to put the bank at risk because he had a fiduciary obligation there. So I do think, though, that it does come down to how many folks you really need to have in order to have proper governance. And the one thing that really was to me kind of sold me on that idea, Senator, is the fact that we have 50 counties who are operating very well with that. But is it a challenge? It is. There's no question about that. But I will tell you, the village board chair of Surprise who brought this issue to Senator Hughes indicated there have been points where they haven't even been able to have a meeting. They couldn't get two there much less three, which is what they need for a quorum.

**SORRENTINO:** Thank you.

**LYNN REX:** Yes. You're welcome.

**CLOUSE:** Thank you. Any other questions? Senator Quick.

**QUICK:** Yeah, thank you. Now, maybe I missed it, but is that an option? Can they have five?

**LYNN REX:** This is an option.

**QUICK:** OK.

**LYNN REX:** My guess is most, we've got 377 villages. Of the 528 municipalities in the state of Nebraska, we have 377 of them. That means they have a population on paper between 100 and 800. The reality is many of them have dropped below 100 and they still maintain village status. There are also several that have more than 800, but they're allowed to have a vote to retain village status. So, in any event, I doubt that-- my guess is it'll be the very small ones that would decide to do this. The very small ones.

**QUICK:** Thank you.

**CLOUSE:** Any other questions? I have one, it, it addresses Section 5 on the separation of the board adjustments and the council. And, and I know that in the past, there's been a separation of powers and there have been lawsuits where the board of adjustments took action, city of York, I think you recall that.

**LYNN REX:** Yes.

**CLOUSE:** They took action and the city council had to sue to get it, get it corrected. So the board of adjustments does have-- in other words, they have more power than the city council, actually.

**LYNN REX:** Sometimes they do. Yes.

**CLOUSE:** And so that separation, does this do away with that? I know you have the option to doing this, and I agree with your comment because we had one board of adjustments meeting in Kearney last year. So I, I get that. But the separation of powers, that's one thing that how, how do we address that?

**LYNN REX:** It's an important issue. I mean, those cities that would choose to do this, I would think that-- I mean, that issue, I'm not saying it goes away, but when they're operating as a board of adjustment, obviously they're not going to be suing themselves or vice versa. But, you know, I think it also speaks to the amount of activity going on across the state in terms of the number of times that a board of adjustment actually meets. And to have a city the size of Kearney, which is absolutely one of the most progressive cities in the state, only meeting once, you know, once a year. And some of our larger cities also just like Kearney only meeting a few times a year, I mean that is become a problem in terms of bringing people up to speed and understanding the significance of it. But your point is well taken. It does take that issue away.

**CLOUSE:** Another question is, so when you're talking with the-- I mean, this gets passed out to the cities, say it's an option you need to think about and make sure that separation of powers is there or checks and balance and make sure they understand that?

**LYNN REX:** Yes. And we'll be doing trainings on this. Matter of fact, we've talked to Dave Ptak, who you may or may not know, who works with the Nebraska Planning and Zoning Association and others. And we worked with him on a number of other issues. And we're going to be doing some sessions, actually on this bill in the event that it would pass at our accounting finance conference in June.

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**CLOUSE:** OK. Thank you.

**LYNN REX:** Thank you for the question.

**CLOUSE:** Any other questions?

**QUICK:** I have one more.

**CLOUSE:** Senator Quick.

**QUICK:** How, how are they appointed? Are they appointed or the board of adjustment?

**LYNN REX:** The board of adjustment is appointed.

**QUICK:** Like by a city council or--

**LYNN REX:** Yes.

**QUICK:** OK.

**LYNN REX:** Or the village board.

**QUICK:** Village board. OK.

**CLOUSE:** OK. Thank you. Any other questions? Thank you, Lynn.

**LYNN REX:** Thank you very much for your time. And, again, thank you for introducing the bill. We really appreciate it.

**CLOUSE:** Are there any other proponents? Do we have any opponents? Do we have anyone speaking in the neutral capacity? OK. Thank you. Any comments? Online, none. Oh, I'm sorry, we do. We have one-- and no ADA testimony, but we do have one proponent and one neutral opponent [SIC] online, so. Senator McKinney to close.

**McKINNEY:** Thank you. And thank you for the individuals that came to testify. And I appreciated the conversation from the committee as well. I think LB289 is an opportunity to help out our smaller communities and also another opportunity to kind of modernize our statutes to keep up with the times, to make sure that we're giving our smaller communities the opportunity to still grow and still stay alive. So I think is something we should definitely consider. And maybe-- I understand like there, there are some questions that we probably have to get answers for and probably talk with the League about. But I think it's a good opportunity to explore as a committee. So with that, I'll take any questions if you have them.

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**CLOUSE:** Any closing questions for Senator McKinney? OK. Thank you.

**McKINNEY:** No problem.

**CLOUSE:** OK, the next item is LB240, Senator Jacobson. Chair, do you want to address this one or come back? So do you want to go to LB290?

**McKINNEY:** We can if he's not here.

**CLOUSE:** Yeah, he's-- I don't--

**SORRENTINO:** Don't see him yet.

**McKINNEY:** Yeah, let's do it.

**CLOUSE:** OK, let's go to--

**McKINNEY:** Go to LB290.

**CLOUSE:** So Senator Jacobson is introducing that bill but he's in another committee. So we will yield to Senator McKinney to address LB290. So Senator McKinney.

**McKINNEY:** Good afternoon, everyone, and welcome to this meeting of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y. I represent District 11 in the Legislature. I'm here to present LB290. LB290 requires additional funding from, additional funding from the Economic Recovery and Incentives Division to be giving to qualified census tracts located within the boundaries of an inland port authority located within a city of a metropolitan class which is Omaha. This bill also provides that grant funds shall not be used in a downtown area in the city of the-- city of a metropolitan class. These new provisions replace the requirements of being within 2 miles of a major airport. This change is needed to provide flexibility for the current project because of issues in the area slated for development. Those issues include environmental potential displacement and funding. This is really a simple change just to honestly provide some flexibility for the project. There's been a lot of, like, questions about just trying to make sure, like, the project could be successful and also make sure it can, it can be completed in the time that it, that it was slated to be completed. And the Inland Port Authority Board has just asked for the change. Just to put another option on the table for the grantees who were supposed to complete the project just to make sure that the board explores all options before just going through with the current options that are on the table. Because one option, there's potential costs-- one option is not

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necessarily cost effective because it will require a lot of cleanup because of some environmental issues. Another-- the other option, it would, it would require potential displacement of residents. And a lot of-- there's a lot of hesitation about that. And there's been a lot of community pushback against that. So the board wants to place another option on the table to still complete the project in a time-- in the timeline. But just take away the 2-mile restriction so that, so that third option could be explored. And that's the reason why this bill is being presented to the committee. It's a simple change and it's just to try to keep the project still rolling. The Board last month or this-- beginning this month, did a vote to give a predevelopment grant for the grantees to still move ahead with the project, but to just-- mainly just refine their, their goals, their visioning for what the project is, and to make sure they have all their T's crossed and I's dotted before anything else happens. But also with the understanding that this might be placed on the table for a third option to explore another option as far as where a project might go. And with that, I'll, I'll answer any questions.

**CLOUSE:** OK. Thank you. Senators, any questions? Senator Sorrentino.

**SORRENTINO:** Thank you, Vice Chair. Senator, I just want to be clear, you and I are both from Omaha so I know this area very well.

**McKINNEY:** Yeah.

**SORRENTINO:** So we've got Eppley Airport, we got some land around it, it actually is Iowa land, which we're not talking about. We're extending this out. Give me a rough parameter of where you think we're extending it to? Are we north or are we west of the airport?

**McKINNEY:** It's, it's not-- well, it's going more towards, not Carter Lake, but more to north Omaha.

**SORRENTINO:** More towards north Omaha?

**McKINNEY:** Well, well, it's not even an extension, sort of, technically, because currently the project can only be--

**SORRENTINO:** Within--

**McKINNEY:** Within 2 miles of the airport,--

**SORRENTINO:** Right.

**McKINNEY:** --which is--

**SORRENTINO:** Not much.

**McKINNEY:** --not much. Taking away the restriction allows for the project to be completed within the Inland Port Authority area, which is like the Carter Lake area, which is on the Nebraska side and up into north Omaha.

**SORRENTINO:** So it, it still stays within the area.

**McKINNEY:** Yes.

**SORRENTINO:** It's just-- I mean, we've got--

**McKINNEY:** It just--

**SORRENTINO:** --lakes in Iowa, we've got all kinds of things around there that messes up that area.

**McKINNEY:** Yeah, it's just-- all this allows for the project to be. So if this is the, the project area and the project can only be completed in this little corner, it allow-- this change allows for the project to be completed anywhere in the area.

**SORRENTINO:** So it'd be mostly going west?

**McKINNEY:** Yes, essentially.

**SORRENTINO:** Do you have any ideas, it's 24th to 42nd to-- any idea?

**McKINNEY:** Possibly around 24th or 30th has kind of been discussed, but nothing set in stone yet because the Board still needs to do some strategic planning, still need to talk with the grantees. And there's, there's still a lot of other questions that need to be answered. But the Board just wants this option just, just to ensure that all things have been explored before saying a definitive yes. And then going, going along with something that might not be successful.

**SORRENTINO:** And there's no fiscal note so this is all still federal funds?

**McKINNEY:** It's not federal funds.

**SORRENTINO:** I thought it was from the Economic Recovery Act.

**McKINNEY:** It's-- so with the Economic Recovery Act-- so initially it was federal funds, but the next year there was a swap with federal funds and state funds. So the federal funds got, got swapped. So the

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federal funds went the Lincoln for a water project and the economic recovery funds became state funds--

**SORRENTINO:** OK.

**McKINNEY:** --mainly because of deadlines. Lincoln could use the federal funds faster than the economic recovery funds could be utilized. So there was a swap, so it's state funds.

**SORRENTINO:** So there still is no fiscal note attached then?

**McKINNEY:** No.

**SORRENTINO:** Well, there's-- it's blank.

**McKINNEY:** Yeah, there's no fiscal note.

**SORRENTINO:** OK. Thank you.

**McKINNEY:** It's just a, it's just a change in wording.

**SORRENTINO:** Thank you.

**McKINNEY:** No problem.

**CLOUSE:** Thank you. Any other-- Senator Andersen.

**ANDERSEN:** Yes, Senator McKinney, kind of along the same lines as Senator Sorrentino, if it's possible to get a graphic on what the expansion means, that probably would be helpful to understand exactly what, what that means. Because even in here it says that you can't-- funds can't be used in the downtown area, which if you're talking about 2 miles of the airport, it's--

**McKINNEY:** I'll get the, I'll get the map of the current Inland Port Authority area printed before this hearing is over and get it brought up here.

**ANDERSEN:** And they say the speed in government is slow.

**McKINNEY:** Yeah.

**ANDERSEN:** So the-- again, talking to Senator Sorrentino, the Economic Recovery Act funds. I understand you said the federal funds went to Lincoln for a water project and the state put in out of general funds \$450 million, right?

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**McKINNEY:** So it was general funds, cash funds. It was a mix of a bunch of different funds.

**ANDERSEN:** State tax dollars.

**McKINNEY:** Yeah.

**ANDERSEN:** Not federal funds.

**McKINNEY:** Yeah.

**ANDERSEN:** And so those funds are still sitting in the account on the Economic Recovery Act.

**McKINNEY:** So--

**ANDERSEN:** Where those funds are now.

**McKINNEY:** --not all funds are sitting-- so, so it depends on what you're talking about because there's different, there's different programs under the Economic Recovery Act. This, for example, is technically sitting-- what, what is going-- so the Board has voted to give the grant to your predevelopment grant. We're just waiting on treasurer-- the treasurer's office to send over the-- transfer the funds over so that could be spent. But, yes, for the airport project it's sitting because we're waiting on the treasurer's office to send over the funds. But some stuff is already spent prior. But when you talk about the whole Economic Recovery Act, some funds have already been spent because there was the north, south Omaha grant program, which was a whole nother program where funds have already started to be spent, spent in the community.

**ANDERSEN:** OK, so this may be kind of a silly question, but the premise of the funds that came from the federal government and the Economic Recovery Act identification was because of-- was the response to the negative impact of COVID-19 public health emergency, right? So this now 2025, are we still responding to the public health emergency of COVID-19?

**McKINNEY:** I would say yes, because communities-- a community like north Omaha was negatively impacted by that and we still are crawling up from that. So I think we're still responding. I think the issue has been delays and changes like swapping the cat, the cat, the federal funds. I mean, delays with DED and them getting things out in a timely fashion. It was multiple delays in the implementation. So I would say, yes, we're still responding because things are still having-- they'll

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never go back to normal, but there was definitely negative impacts because of COVID.

**ANDERSEN:** So if the-- if we still have the same-- I mean, if we had the delays for various reasons, are the projects that were previously approved still valid for the funds that were allocated?

**McKINNEY:** I would say yes.

**ANDERSEN:** [INAUDIBLE]

**McKINNEY:** I would say yes because, for my lifetime, there's been a, a lack of investment in north Omaha. There-- like, when you think about north Omaha, there's been a lack of investment in business growth. And the purpose of the Airport Business Park is for business creation and attraction of businesses to bring jobs back to the north Omaha community, primarily to decrease poverty, build up the job creation, build up the median income of the community, that is still needed and that has been needed-- that was needed prior to 2020. But it got exacerbated because of the pandemic. So, yes, it's still needed.

**CLOUSE:** OK.

**ANDERSEN:** So the lack-- but the lack of investment in north Omaha is not a COVID-related issue?

**McKINNEY:** It's not a COVID-related issue. But because of COVID, the lack of investment, it, it impacted north Omaha worse than some other communities is what I'm saying.

**ANDERSEN:** OK. Thank you.

**McKINNEY:** No problem.

**CLOUSE:** Any other questions for Senator McKinney? OK, thank you, Senator.

**McKINNEY:** Thank you.

**CLOUSE:** OK. Do we have any proponents that would like to speak?

**JAKE HOPPE:** Thank you, committee, for the opportunity to speak. My name is Jake Hoppe, J-a-k-e H-o-p-p-e, and I'm a member of the Omaha Inland Port Authority with Senator McKinney and also a real estate developer of the firm called Hoppe Development that focuses on affordable housing. The Board has had a really successful fall focused

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on creating the infrastructure that will allow us to execute on the mandate of administering these funds, as well as a couple of other programs. I'm extremely impressed with the Board colleagues who are part of the inland port and find them both to be committed to the high-level consideration of ensuring a transformative economic development effort while honoring the history and context of the north Omaha neighborhood. And a few of our key accomplishments were we established a community advisory board, as was mandated in our, in our charter. We're securing the appropriate firms to provide banking and legal and advisory services to the Board. We've initiated a search for an executive director, and we've solicited firms to provide a vision for the innovation district, which was a key piece of, of what we were to accomplish in our first year. And, lastly, we provided a letter of support for the Omaha Economic Development Corporation, who was the grant recipient for the airport business park. And in that they had requested to us and we had agreed to examine geographically how we could provide more flexibility given that the constraints within the 2 miles were so limited as to the available sites that they could consider with the, with the stated intent, of course, of continuing to impact north Omaha. So I think that's why you see some of the language in the bill that, you know, to expand the boundaries of where the business park could be considered. I think the intent was not to then look at sort of the north downtown of Omaha, but keep it in the, the north Omaha community. So this, as the senator alluded to, this would really give them just additional optionality as they pursue the locations that might be considered. As everyone knows, in kind of a, a due diligence process for a large real estate acquisition, you know, the more constrained you are in your geography, the, the more limited sites, the more kind of constrained your outcome can be. So this will provide them that flexibility. So mostly just wanted to, to have a moment in front of you and, and say we appreciate the mandate and, and happy to answer any questions about this bill that, that I can speak to.

**CLOUSE:** OK. Thank you. Senators, have any questions? Senator Rountree.

**ROUNTREE:** Thank you, Mr. Vice Chair. Yes, sir, for the work that's already been done, I know you're in the development business and it's really a constrained area, so limited opportunities, but for work that you might have already done, what kind of benefit has it produced? Have they brought jobs into, like, north Omaha for the area versus people coming from the outside to [INAUDIBLE], has anything happened right there on the ground--

**JAKE HOPPE:** Well--

**ROUNTREE:** --apparently where they are planning to--

**JAKE HOPPE:** Yeah, specific to, to sort of what's been overseen by the Omaha Inland Port, we're really just in the predevelopment stage.

**ROUNTREE:** OK.

**JAKE HOPPE:** So we're enabling them to go out and secure contracts for available sites and sort of do the next level of diligence. They did a, a really conceptual level of diligence for their award. Once in sort of development process, you want to get a site under control and do really site-specific planning. And so what we agreed at the end of last year was to give them the resources to go do that in relationship to a specific site. From the broader, you know, LB1024 funding-- I mean, another conversation, but I, I, I think it has been transformative. Those projects are starting to come out of the ground and on 24th Street in, in-- both in north Omaha and in other communities. You know, it really has been a transformative investment in some of these underserved areas.

**ROUNTREE:** Thank you.

**CLOUSE:** Thank you. Senator Andersen.

**ANDERSEN:** Thank you for your testimony, by the way.

**JAKE HOPPE:** Yeah.

**ANDERSEN:** Would the expansion of the-- of office spaces still qualify as a, a-- as part of a census tract do you know?

**JAKE HOPPE:** I believe it spans a couple of census tracts, but still qualified census tracts as of the time when the program was created. So I think we're looking at maybe 2, 2.5 census tracks that are impacted by the Omaha Inland Port.

**ANDERSEN:** OK.

**JAKE HOPPE:** It's not one-- I, I don't believe it's constrained to one census tract, but I-- that's something I could follow up with, with the senator.

**CLOUSE:** Does that answer your question?

**ANDERSEN:** Yeah.

**CLOUSE:** OK.

**ANDERSEN:** Thank you.

**CLOUSE:** Any other questions from senators? Thank you. Are there any additional proponents? Are you done?

**JAKE HOPPE:** No, yeah, yeah. Thank you.

**CLOUSE:** Are there any other proponents?

**DAVIELLE PHILLIPS:** Good afternoon, everyone. My name is Davielle Phillips, D-a-v-i-e-l-l-e P-h-i-l-l-i-p-s, and I serve as the vice chair for the Omaha Inland Port Authority and also the chair of the Real Estate and Development Committee. Additionally, in my day job, I serve-- I'm an architect at Holland Basham Architects. I would like to be an opponent-- proponent, sorry, of LB290 because I think the, the 2-mile restriction on the airport, the developers have had a lot of challenges with that 2-mile restriction. Currently, there, there is a large amount of residents that would be displaced by one of their chosen locations, but there is also plenty of vacant land along North 16th Street and along within the boundaries of the Inland Port Authority that could be viable for this type of developer. So I've, I've created a detailed study on the existing conditions of the area within the Inland Port Authority, which is about 3,000 acres, but buildable area is about closer to 2,000 acres worth of land. There are comparable developments such as the Stapleton redevelopment of their airport in Denver, Colorado, that we've also studied. And we think that, that, that study in itself is very close to what we would like to do with the Inland Port Authority. At least this is my opinion based on what-- the study-- existing study that I've done so far. So I think that this, this 2-mile restriction being removed allows them to find other locations where potential for displacement would be minimized. And it also would give them-- well, it would give the potential jobs-- the holders of those jobs, it would give them an opportunity to have access to those site-- to that site with public transportation, because currently there are no public transit routes that would go to the specified area where this airport business park would be. And then it puts it closer to the residents so the residents could also-- the people that live within these two zip codes that are affected by the Inland Port Authority, they will also have access to, to that, that area to potentially work. I think those things are benefits of the removal of this restriction. And I'll be happy to answer any questions.

**CLOUSE:** OK. Thank you. Senators, have any questions for Mr. Phillips? Yes, Senator Sorrentino.

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**SORRENTINO:** Thank you, Vice Chair.

**DAVIELLE PHILLIPS:** Yes.

**SORRENTINO:** Did I understand you to say you worked on the Stapleton area?

**DAVIELLE PHILLIPS:** No, the Stapleton area, we studied it.

**SORRENTINO:** In Denver, Colorado?

**DAVIELLE PHILLIPS:** Yes, I, I, I studied it as a precedent project for the Inland Port Authority.

**SORRENTINO:** OK.

**DAVIELLE PHILLIPS:** It has, it has about 4,700 acres that was redeveloped and ours is closer to 3,000. And so just comparable developments or redevelopments.

**SORRENTINO:** I'm very familiar with it. My son lives in it.

**DAVIELLE PHILLIPS:** Nice.

**SORRENTINO:** It's 4,700 acres. Is that how big that is?

**DAVIELLE PHILLIPS:** Yes.

**SORRENTINO:** And this would be-- well, this is 3,000 acres you said?

**DAVIELLE PHILLIPS:** Yes, the boundary that outlines is 3,000.

**SORRENTINO:** Right. We, we just got that picture of 3,000 acres.

**DAVIELLE PHILLIPS:** Yeah. Um-hum.

**SORRENTINO:** And some of the-- works around the airport itself and some other things, Carter Lake, etcetera. So is, is the current size to 3,000 acres-- and it's interesting, when I looked at this, it's not what I thought it would be. It's pretty much Florence Boulevard is, is the north to south area to be developed. It's a little slice up there in Ames Avenue but by and large doesn't go much past 24th Street. Do you have any idea exactly what the development might look like? You know, if this goes forward, what and where might go where? Any ideas?

**DAVIELLE PHILLIPS:** Just general sense, there's a lot of vacant industrial zone property between, like, where Highway 75 is between 30th and 24th Street.

**SORRENTINO:** Right.

**DAVIELLE PHILLIPS:** That area is primed for redevelopment, I think, and with the vacant buildings there could be beneficial. There's also all the way down to, I think, about Taylor Street or Sahler Street on both 30th Street and 24th Street, there's large amounts of land that have, have not been developed. 24th Street-- North 24th Street itself from Meredith Avenue to Cuming Street has over 100 acres of vacant lots. And so there's a, a way to congregate some of those properties to create a larger development.

**SORRENTINO:** And that would be done with the least amount of displacement. That's one of the focuses of this rule to get it out of the airport area so we're not just displacing homeowners. [INAUDIBLE]

**DAVIELLE PHILLIPS:** Yes, from, from a high level, I have the sense that, that could lead to less displacement, but it needs to be studied. And that's part of what the next step is for the developer to study those areas and come to the Inland Port Authority Board with more information. But all the while, the Real Estate and Development Committee and myself personally will be doing background studies to double check that work.

**SORRENTINO:** And you're the vice chair of that port authority?

**DAVIELLE PHILLIPS:** Yes.

**SORRENTINO:** Thank you, sir. Thank you for your testimony.

**DAVIELLE PHILLIPS:** Thank you.

**CLOUSE:** Thank you. Senator Andersen.

**ANDERSEN:** In all your studies-- thank you for your testimony, by the way-- in your studies, have you looked at the original, as was discussed earlier, the original money set aside was \$450 million, as we know, with the rapid inflation and, and the increased costs in building supplies and everything else, is there any assessment or any part of your studies that have looked at what could actually be accomplished with the-- and I know that some of the money has already been spent, but what the cost would be, what you would actually build them for, or is that just premature?

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**DAVIELLE PHILLIPS:** I think as far as what the cost will be, we still need to put some effort behind development costs and development performance and things. But as far as a study of, you know, industrial property compared to, to residential property, I think there should be a pretty heavy emphasis on residential and commercial property within industrial property coming in as tertiary to those because I think driving up the density and amount of residents and the amount of businesses that it can work at allows for greater growth in economics within north Omaha, in this section of north Omaha. And we need to be able to pay to work with other entities. There's part of the boundary which you see there's a big chunk missing that is the Forever North study. So Forever North study comes as most of 24th Street and it starts to turn towards 30th Street. So there's a big chunk missing within our boundaries. But I think that working with the developer-- developers for the Forever North study that it will allow for great synergy. So, so those, so those dollars would be put to really good use.

**CLOUSE:** OK. Thank you. Senator Cavanaugh has joined us. Welcome.

**J. CAVANAUGH:** Thank you.

**CLOUSE:** Other senators have any questions for Mr. Phillips?

**DAVIELLE PHILLIPS:** Thank you for your time.

**CLOUSE:** Are there any additional proponents would like to speak? Do we have any opponents? Do we have anyone in the neutral capacity? OK, online, we've had three proponents, one opponent, zero neutral, and no ADA. Senator McKinney, do you wish to close?

**McKINNEY:** Thank you. LB290, for me, is an opportunity to continue the work that we started with the Economic Recovery Act to ensure that the funds are used in the best interest possible for the community and just to make sure that investments are made that builds up the north Omaha community in the best way, bring jobs back to the community, and just works in an efficient way. We talked about cost of the project. I forgot to mention that, that factor as well. Currently, where the project is slated, there is a funding gap and that has been brought up. And one of the things I've brought up a lot of times is that let's find a way to use the dollars we have with the limited dollars that we have because there is a funding gap. Let's make sure that we have that conversation and figure out, which is why we had to do a predevelopment grant because there's, there's finite funds and, and to make sure they're used in the best way because it, it is limited to

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dollars. And that's why we want to provide this flexibility to make sure that the dollars are used the best way and so we're not just spending and wasting dollars and 5 years down the line, all this money is supposed to have been invested and we're all looking back like, OK, that was just a waste of money.

**ANDERSEN:** Do you know what the gap is now?

**McKINNEY:** The gap for, for the project that the grantees have is like \$100 million.

**ANDERSEN:** \$100 million?

**McKINNEY:** Yeah. And the Legislature only committed 90 for the, for the project. And so I think, in my opinion, we should figure out how to use \$90 million to develop what we can develop and, and just move on. So that's my opinion.

**CLOUSE:** OK. Thank you. Any other questions for Senator McKinney?

**McKINNEY:** Thank you.

**CLOUSE:** Thank you, Senator McKinney.

**McKINNEY:** No problem.

**CLOUSE:** I'll give you your job back.

**McKINNEY:** No, you still have to keep it for the moment because I have to run to another meeting.

**CLOUSE:** Well, that will take us to LB240 with Senator Jacobson. So, Senator.

**JACOBSON:** OK. Well, thank you, Vice Chair Clouse and members of the Urban Affairs Committee. My name is Mike Jacobson, M-i-k-e J-a-c-o-b-s-o-n. I represent District 42. Today, I'm here to introduce LB240, a bill that makes a simple yet critical adjustment to the line-- timeline for administering tax increment financing, or TIF, under Nebraska's community development law. Notices regarding the decision of ad valorem taxes in TIF projects must be submitted to the county assessors by August 1. LB240 changes the, the deadline to on or before July 1. This allows for a 1-month extension intended to give county assessors additional time to perform their duties, such as assessing property values, accounting for increases in valuation, and ensuring accurate calculations for distributing tax revenue under TIF.

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This change provides additional time to address the complexities of TIF projects ensuring a smoother process for all stakeholders. While simple, this adjustment dramatically enhances the efficiencies and effectiveness of TIF administration. LB240 also includes an emergency clause ensuring this new timeline takes effect immediately upon passage. With that, I will end my testimony and entertain any questions. But I would tell you, I've, I've worked with TIF for 24 years in North Platte, I can tell you that I'm, I'm sensitive to this timeline. I think it is important. We've done a lot of TIF projects in North Platte, and I think it's important for people to understand that what we're doing with this timeline is the county assessor needs to be prepared to divide the taxes. So what they're doing is when a TIF project is, is approved, whatever the current tax base is, is frozen. That tax base will continue to go to the taxing authorities as before. But then at that point in time, any additional increases in valuation will be divided. And that additional increase in valuation in the taxes that would follow would then be used to amortize the bond which, by the way, is funded wholly by the developer. And then also as the developer pays the new property taxes, they basically repay their own bond with those property taxes. So been a big advocate for TIF because I see that it's probably the only economic development program out there that is fully self-sufficient, takes no taxpayer dollars, and if administered correctly, it's a win-win for everyone involved. With that, I'd stand for any questions.

**CLOUSE:** OK, thank you, Senator. Any questions for Senator Jacobson? Thank you.

**JACOBSON:** Thank you.

**CLOUSE:** Stick around to close?

**JACOBSON:** I'm going to-- no, I'm going to, I'm going to dash back to Revenue. I had two bills in Revenue and then now I've got to get-- we're going to try to exec so I'm going to run back to Revenue.

**CLOUSE:** Senator Sorrentino, did you have a question?

**SORRENTINO:** I do not. I do not.

**JACOBSON:** Last chance. You won't get another swing at me.

**CLOUSE:** Oh, we'll have a chance.

**JACOBSON:** Yeah. Thank you.

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**CLOUSE:** Thank you, Senator. Are there any proponents?

**CANDACE MEREDITH:** Good afternoon. My name is Candace Meredith, C-a-n-d-a-c-e M-e-r-e-d-i-t-h, and I am the deputy director at the Nebraska Association of County Officials, otherwise as NACO. First off, thank you to Senator Jacobson for bringing this bill to, to the attention here. Just a couple quick notes. Senator Jacobson did cover that really well. Just, just for timeline purposes and the reason we wanted to move that back to July 1 from August 1 is because the assessors do have to compile and certify the total taxable value to each of the local government taxing subdivisions by August 20. So that August 1 timeline is a little bit short to do a comprehensive review. So by moving that notice to divide-- to July 1 does give them ample time to do the necessary review and, and get that information to the certified-- the certifications out to those local governments. Be happy to answer any questions that you may have.

**CLOUSE:** OK. Thank you. Senators, have any questions? Oh, Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Vice Chair. Thanks for being here, Ms. Meredith. So who, who is the person who has to report this to county assessors?

**CANDACE MEREDITH:** Typically, it's the city. For most cases, the city would report that to the assessor.

**J. CAVANAUGH:** So-- and the cities aren't going to have a problem with this?

**CANDACE MEREDITH:** Lynn is right behind me.

**J. CAVANAUGH:** Don't speak for Lynn?

**CANDACE MEREDITH:** Yeah.

**J. CAVANAUGH:** All right. Thank you.

**CANDACE MEREDITH:** Yeah. Uh-huh.

**CLOUSE:** Thank you. Any other questions? Thank you.

**CANDACE MEREDITH:** All right. Thank you.

**CLOUSE:** We might have another proponent.

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**LYNN REX:** Senator Clouse, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. In answer to your question, we are in support of this bill. We think it's reasonable. And as Candace Meredith pointed out, the counties do have to certify taxable value by August 20. And so we think that this gives them additional time to do that. And we appreciate Senator Jacobson introducing the bill. I'm happy to respond to any questions that you might have.

**CLOUSE:** Any questions? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Vice Chairman. Thanks for being here, Ms. Rex. So what's-- like, what would be the holdup or, like, wouldn't-- why wasn't it earlier originally?

**LYNN REX:** Why wasn't it earlier?

**J. CAVANAUGH:** Yeah.

**LYNN REX:** I mean, why was the date August put in there?

**J. CAVANAUGH:** Right.

**LYNN REX:** I don't know the background to that. I mean, I do know that TIF has been around since 1978. It also, as you know, is an exception to the constitutional prohibition against lending to the credit of the state. And so this was in Article VIII, Section 12 in the constitution. And TIF has just been incredibly important. I think just historically, it's always been there. And I think the counties have worked hard to try to get everything there, but, but also, too, we're hoping that this will enable the counties to maybe get that total valuation to the municipalities a little bit sooner than August 20, but it is required that they do it by August 20.

**J. CAVANAUGH:** And so, like, what-- how much time do the cities have? When, when do they have the information that they need to compile to get to this July 1 deadline?

**LYNN REX:** OK. So the answer is it depends. It depends how the TIF project is developing. But they basically have got to work with the developer to make sure all of that is available. And so, you know, basically, we understand why the counties need more time to do this because they've got to be able to meet their requirements. And municipalities, that August 20 date, as former Mayor Clouse, now Senator Clouse can tell you, that really is a short leash when you're trying to get your budget ready and everything done. So we just want

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to give them some more time to make that happen. And, again, tax increment financing is really important and the cities are going to do everything they can because they're going to have to, to meet this July 1 date. And we think it's a reasonable request on behalf of the counties.

**J. CAVANAUGH:** Thank you.

**LYNN REX:** Thank you for the question.

**CLOUSE:** I have a question. Do you think it's probably because of what we've seen on the valuation increases going crazy the last 3 or 4 years has really pushed this, it makes it problematic so when-- for the assessors to come up with that?

**LYNN REX:** I think it's-- I think that maybe in part. I think also, Senator, it's because of the number of TIF projects.

**CLOUSE:** Yeah.

**LYNN REX:** I think that really is part of it as well.

**CLOUSE:** OK. Thank you.

**LYNN REX:** And so this is an important piece of it, of course.

**CLOUSE:** Any other questions for Lynn? Thank you, Lynn.

**LYNN REX:** Thank you very much. Really appreciate it, and thanks to Senator Jacobson.

**CLOUSE:** Are there any other proponents? Do we have any opponents? Do we have any neutral? OK, on this bill we've had-- let's see here, we had-- we've had no proponents, no opponents, no ADA. So with that, we will close today's Urban Affairs hearing. Thank you all for coming, thank you for participation, thank you for your patience. Appreciate it.