

Approved: 3/26/93
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Vice-Chairman Bob Mead at 3:30 p.m. on March 18, 1993 in Room 423-S of the Capitol.

All members were present except:

Representative Tom Bishop
Representative George Dean
Representative Jerry Henry
Representative Greg Packer

Committee staff present: Lynne Holt, Legislative Research Department
Bob Nugent, Revisor of Statutes
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Greg Gilstrap, Director, Travel, Tourism, Dept. of Commerce and Housing

Others attending: See attached list

Vice-Chairman Mead opened hearings on SB 15, tourism and tourist attractions matching grant program, and called on Lynne Holt, Legislative Research Department, to give an overview of the bill.

The Chair then called on Greg Gilstrap, Director of Travel and Tourism in the Department of Commerce and Housing to present testimony in support of the bill. He stated the travel and tourism program had generated a lot of publicity and enthusiasm and he could envision many communities reaping the economic rewards of an expanded tourism industry base. (Attachment 1)

Following discussion by the committee the Chair closed hearings on SB 15.

Representative Brown made a conceptional motion to define "recreation" to exclude gambling establishments, seconded by Representative Rutledge and the motion carried.

Representative Brown made a motion to include the wording in the testimony of Greg Gilstrap: 'to mandate that no more than 20 % of the 501 (C) (3) and public allocation, and no more than 20% of the potential 25% for-profit allocation, could go to an individual entity in a fiscal year', seconded by Representative Haulmark and the motion carried.

Representative Brown made a motion to pass the bill favorably, as amended, seconded by Representative Boston and the motion carried.

The meeting adjourned at 4:35 p.m.

No further meetings are scheduled at this time.

GUEST LIST

COMMITTEE: Economic Development DATE: 3-18-93

[illegible]

Testimony before the
House Economic Development Committee
on
Senate Bill No. 15

by
Kansas Department of Commerce and Housing
Travel, Tourism and Film Development Division
Greg Gilstrap, Director

The Travel and Tourism Division and the Department of Commerce and Housing believe the amendments to K.S.A. 74-5089 listed in Senate Bill No. 15 will help make a promising program stronger. We also believe the changes will more clearly define the list of those eligible to leverage the program's funds.

As many of you know, the current fiscal year represents the first time this effort received State appropriations. The attached sheet lists the projects that will be funded, and more importantly it also demonstrates our success in using the \$650,000 to leverage greater investment in strengthening current attractions and developing new tourism assets.

Many people have told us this program represents a visionary approach by the state of Kansas. Visionary in the sense that we are working hard at strengthening our tourism foundation at a time when research indicates the next few years will bring more and more travelers to this part of the country. A solid attractions base will help us insure a larger percentage of tourists will spend additional time and money in our communities.

Broadly speaking, SB 15 expands the Tourism Attraction Matching Grant Program to include both public and private entities. It also insures that at least 75% of the funds will be going to public entities or 501 (C)(3) organizations. We believe this mix gives recognition to the fact that most of our current attractions are not-for-profits, while also giving us some help in encouraging progressive, private development.

In year one of this effort, our guidelines stated that 20 percent of the fund was the maximum amount that could go to one entity. This insured a broad impact, and we believe it would be beneficial if the legislation actually mandated that no more than 20 percent of the 501 (C)(3) and public allocation, and no more than 20 percent of the potential (25 percent) for-profit allocation, could go to an individual entity in a fiscal year.

The final change in Senate version was the addition of the definition of "tourist attraction" to the statute. This is a standard industry definition that we use in many of our program areas. We believe this will help encourage appropriate applications, thus reducing the amount of staff time spent looking at projects that should have been directed towards other funding sources.

In conclusion, this is a program that has generated a lot of publicity and enthusiasm. We honestly believe it will be very rewarding to look back five years from now. At that time, we envision many communities reaping the economic rewards of an expanded tourism industry base. Thank you for your support and I would be happy to answer any questions.

'FY 93 ATTRACTION DEVELOPMENT GRANTS FUNDED

Awarded to:	State Funding Level	Total Cost of Project
Kansas Cosmosphere, Hutchinson	\$130,000.00	\$498,417.00
Columbian Theatre Foundation, Wamego	130,000.00	378,500.00
Historic Ward-Meade Park, Topeka	74,400.00	186,000.00
National Teacher's Hall of Fame, Emporia	72,133.00	206,783.00
Lucas Arts & Humanities, Lucas	52,000.00	130,000.00
Liberal Air Museum, Liberal	47,200.00	118,000.00
Old Cowtown, Wichita	38,695.26	144,514.00
Post Rock Opportunities, Wilson	28,900.00	72,251.00
Butler County Historical Society, El Dorado	21,748.00	53,641.00
Botanica, Wichita Gardens, Wichita	19,044.00	129,044.00
Cherokee Strip Museum, Arkansas City	13,353.34	33,383.34
Marysville Arts, Marysville	9,300.00	23,250.00
Boot Hill Museum, Dodge City	8,580.00	21,450.00
Abilene CVB, Abilene	3,840.00	9,600.00
The Big Well, Greensburg	<u>806.40</u>	<u>2,016.00</u>
	\$650,000.00	\$2,006,849.34