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Date

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on January 19, 1993 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Gooch, Harris, Hensley, Kerr, Petty, Ranson, Reynolds, Steffes and Vidricksen

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

Conferees appearing before the committee: Bob Knight, Secretary, Kansas Department of Commerce and Housing  
Bill Thompson, Director, Industrial Development and DOCH  
Cal Lantis, Director, Existing Industry Developing Division, KDOCH  
Norma Phillips, appearing for Dennis Schockley, Housing Division,  
Marty Miller, Director, Community Development Division  
John Watson, appearing for Jim Beckley, Trade Development Division  
Greg Gilstrap, Director, Trade Development Division  
Carole Morgan, Deputy Secretary, oversees Administration Division

Others attending: See attached list

Secretary Bob Knight, Kansas Department of Commerce and Housing, gave a brief overview of the Department. He informed the Committee the Kansas Department of Commerce and Housing has approximately 124 full and part-time employees in their office in Topeka, six Kansas field offices in Wichita, Garden City, Manhattan, Lawrence, Pittsburg and Hill City; and Visitor Information Centers in Goodland, South Haven and the Kansas City area. They also, through special contractual arrangement, have a Kansas representative in several overseas regions and in west coast and the Great Lakes regions. The budget for this year is approximately \$49.8 million, of which \$11.6 million is received from state funds and \$38.2 million from federal and other funding. He stated the vision of the Kansas Department of Commerce and Housing is to make Kansas the nation's most liveable state, recognized for a progressive business climate, globally competitive businesses, real per capita income growth, and an educational system which prepares Kansas to be a leader in the world economy, see Attachment 1.

All conferees went over the missions and achievements of the divisions in the agency, see Attachment 2.

Greg Gilstrap, Director, Trade Development Division, presented an overview of SB 15 and highlighted information presented by the Division to the Joint Committee on Economic Development, see Attachment 3.

The Committee meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for January 20, 1993.

## GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

DATE: 1-19-92

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Overview of the

Kansas Department of Commerce & Housing

Bob Knight, Secretary

before the  
Senate Commerce Committee  
January 19, 1993

*Commerce*  
*1/19/93*

Madam Chair and members of the Committee.

Thank you for this opportunity to become acquainted - you with the Department of Commerce & Housing and we with this new Committee of the Kansas Senate.

We will give you a brief overview of the department and answer your questions.

According to K.S.A. 74-5005, the Department of Commerce and Housing shall be the lead agency for the state for economic development of commerce through this promotion of business, industry, trade and tourism within the state.

We take that charge very seriously. And we treat it, and our duties, with respect.

There exist many avenues with which to grow the state economically. Some are special programs created for special needs through federal or state legislation. Others have come about through partnerships with many sorts of economic development factions. All are in a constant process of monitoring and improvement.

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You will be hearing specifics about many of our programs in just a moment. I would also refer you to our 1992 Annual Report which you should have received, for details on our accomplishments during the last fiscal year. Let me give you a general idea, though, of who we are, how we operate, and what we hope to accomplish. We have prepared a functional organization chart and an outline of each division's program activities for your information.

The Kansas Department of Commerce and Housing has approximately 124 full- and part-time employees in our main office in Topeka, six Kansas field offices in Wichita, Garden City, Manhattan, Lawrence, Pittsburg, and Hill City; and Visitor Information Centers in Goodland, South Haven and the Kansas City area. We also, through special contractual arrangement, have a Kansas representative in several overseas regions and in west coast and the Great Lakes regions.

Our budget this year is approximately \$49.8 million, of which \$11.6 million is received from state funds and \$38.2 million from federal and other funding.

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By our services we:

- assist existing businesses to stay in business.
- help existing communities to remain viable, liveable, and commercially sound.
- train and retrain competitive, skilled workforces.
- attract new businesses, both domestic and international, to Kansas.
- market Kansas goods and services to both domestic and international customers.
- promote Kansas as a desirable tourism destination.
- encourage and assist the making of feature-length, documentary and commercial films in the State.
- work to provide every Kansan the opportunity for safe, clean, affordable, energy-efficient housing.

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Several months ago, we began a process of total quality management as one of five state pilot agencies designated by Governor Joan Finney in her January, 1992, Executive Order which established Kansas Quality Management. Although we are only in the preliminary stages, our staff is already working on a vision statement to express our agency goal. I'd like to share the working draft of that vision statement with you:

"Our vision is to make Kansas the nation's most liveable state, recognized for a progressive business climate, globally competitive businesses, real per capita income growth, and an educational system which prepares Kansas to be a leader in the world economy."

I think that says a lot about the competence and dedication of our staff, and of our commitment to the state of Kansas.

Our activities are carried out through seven operating divisions each of which has a director. I would like to introduce these managers to you now.

\* The Industrial Development Director is Bill Thompson.

\* The Existing Industry Director is Cal Lantis.

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\* Our newest division, which began six months ago was created by Governor Finney's Executive Reorganization Order and affirmed by the Legislature. Dennis Shockley, the Undersecretary for Housing, heads the division but cannot be with us today. Norma Phillips, Housing Program Administrator, will represent Mr. Shockley.

\* The Community Development Division Director is the newest addition to our management staff. Marty Miller joined us on January 4 of this year.

\* Jim Beckley is our Trade Director and on assignment in Russia. John Watson will represent the division.

\* The Travel and Tourism Director is Greg Gilstrap.

\* Carole Morgan serves as Deputy Secretary and directs the Administrative Division.

Thank you for this opportunity to give you an overview of our department and a very basic understanding of our mission and activities. I look forward to upcoming opportunities to share additional information with you.

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# KANSAS DEPARTMENT OF COMMERCE & HOUSING

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## PUTY SECRETARY

Carole L. Morgan  
(913) 296-3481

## SECRETARY OF COMMERCE & HOUSING

Bob Knight  
(913) 296-3480

## PUBLIC INFORMATION OFFICER

Ruth Maus  
(913) 296-2477

### ADMINISTRATION DIVISION

(913) 296-3481

**MISSION:** To serve as a source of service and support for all Divisions within the Department of Commerce.

**Major Activities:**  
Research and Analysis  
Fiscal Management/ Accounting  
Personnel  
Data Systems Management

### COMMUNITY DEVELOPMENT DIVISION

Marty Miller  
Director  
(913) 296-3485

**MISSION:** To provide grants, loans, and technical assistance to Kansas communities to stimulate and support economic development activity.

**Major Activities:**  
\* Small Cities Community Development Block Grants  
\* PRIDE Program  
\* Main Street Program  
\* Enterprise Zone Program  
\* Kansas Partnership Fund  
\* Community Strategic Planning

### EXISTING INDUSTRY DEVELOPMENT DIVISION

Cal Lantis  
Director  
(913) 296-5298

**MISSION:** To promote and encourage the growth, diversification, and retention of business and industry in Kansas.

**Major Activities:**  
\* Small Business Development  
\* First Stop Clearinghouse  
\* Venture/Seed Capital Programs  
\* Business Retention and Expansion Program  
\* Liaison with Small Business Development Centers and Certified Development Companies  
\* Minority- & Women-owned Business Development  
\* Regional Field Offices  
\* Kansas Match

### INDUSTRIAL DEVELOPMENT DIVISION

Bill Thompson  
Director  
(913) 296-2652

**MISSION:** To identify, pursue, and locate out-of-state industrial facilities to Kansas which will add jobs and capital investment to the economic base of the state and its communities.

**Major Activities:**  
\* Domestic Marketing  
\* Kansas Cavalry  
\* Kansas Industrial Training and Retraining Programs  
\* Targeted Marketing Program  
\* National Promotion Campaign  
\* State of Kansas Investments in Lifelong Learning Program (SKILL)  
\* Waste Reduction, Recycling, and Market Development

### TRADE DEVELOPMENT DIVISION

Jim Beckley  
Director  
(913) 296-4027

**MISSION:** To increase sales of Kansas manufactured products worldwide, thereby creating jobs, bringing new money into the state, and enhancing the growth and expansion of the state's economic base.

**Major Activities:**  
\* Trade, Marketing, and Promotions  
\* Export Finance  
\* Trade Services  
\* International Industrial Development

### TRAVEL AND TOURISM DEVELOPMENT DIVISION

Greg Gilstrap  
Director  
(913) 296-7091

**MISSION:** To increase the number of visitors to Kansas by promoting the state as a travel opportunity to both Kansans and non-Kansans, and to attract film and video production to the state.

**Major Activities:**  
\* General Promotion  
\* Kansas Film Commission  
\* Visitor Information Centers  
\* Kansas! Magazine  
\* Kansas Secrets  
\* Special Promotions

### HOUSING DIVISION

Dennis Shockley  
Undersecretary  
(913) 296-2686

**MISSION:** To provide all Kansans the opportunity to secure decent, safe, affordable, energy efficient housing, to offer appropriate technical assistance and supportive services, and to promote economic development through public/private partnerships.

**Major Activities:**  
\* Community Services Block Grants  
\* Comprehensive Housing Affordability Strategy  
\* Emergency Shelter Grants  
\* Emergency Community Services  
\* Home/Hope  
\* Housing Hotline  
\* Information Clearinghouse  
\* Low Income Housing Tax Credits  
\* Permanent Housing For The Handicapped Homeless  
\* Rental Rehabilitation  
\* Section 8 Assistance  
\* Section 8 Operation Homeless and Rural Operation Homeless  
\* State Housing Trust Fund  
\* Weatherization

Testimony before the  
Senate Commerce Committee

on

Senate Bill No. 15

by

Kansas Department of Commerce and Housing

Travel and Tourism Division

Greg Gilstrap, Director

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The Travel and Tourism Division of the Department of Commerce believes 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.

The first amendment states: "Applicants shall not utilize any state monies to meet the matching requirement under the provisions of this program." We believe this will help us insure that we are not "robbing Peter to pay Paul." It should also encourage State entities to go directly to the Governor and Legislature for specific project appropriations.

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The second change adds 501(c)(6) to 501(c)(3) and public entities in the list of those organizations eligible to apply for a grant under the provisions of this act. This is a relatively minor addition, but it will help make it clear that organizations such as Convention and Visitors Bureaus are eligible applicants.

The final improvement is 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 this effort. Thank you for your support and I would be happy to answer any questions.

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# '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

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