

Approved May 5, 1991  
Date

MINUTES OF THE Senate COMMITTEE ON Economic Development

The meeting was called to order by Senator Dave Kerr at  
Chairperson

8:00 a.m. ~~XXX~~ on April 26, 1991 in room 123-S of the Capitol.

All members were present except:

Senator Jerry Moran  
Senator Wint Winter

Committee staff present:

Bill Edds, Revisor of Statutes' Office  
Lynne Holt, Legislative Research Department  
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:

Doug Curtis, Hollywood, California

A written statement from Betty Simecka in support of a film studio was distributed to Committee members (Attachment 1).

Senator Dave Kerr, Chairman, called the meeting to order and said the Committee would continue with the subject began at yesterday's afternoon meeting with regard to the \$750,000 appropriation for a loan to help build a sound studio. He reviewed the background of the topic. There has been an effort for about five years to build a sound studio in Lawrence. There is a private investor interested in supplying part of the funding, and \$750,000 was included in the omnibus bill as a loan from the Film Commission and this amount would be matched by loans from private bankers. The Ways and Means Committee requested that this Committee take a look at the project and make some type of recommendation. Chairman Kerr reminded the Committee that Jerry Jones had described how fast the film industry is growing in Kansas and advised that there is about a \$75 return on every dollar invested in this area. Chairman Kerr also noted that Laura Nicholl, Secretary of Commerce, expressed some very strong doubts about the project. Chairman Kerr said that after the meeting yesterday, he visited further with the individuals concerned about the project, including Secretary Nicholl, and made the suggestion that the state make available \$500,000 in Economic Development Initiatives Fund monies on the basis that the state would be co-equal in terms of seniority and would be made simultaneously with any bank loans and that the bank loans would be \$1.50 for every state \$1. Chairman Kerr noted that this would be a means of delegating "due diligence" to the private sector and providing that the state loan would have a degree of certainty of repayment. He said that the Secretary of Commerce had written a letter in support of this concept.

Senator Brady expressed concerns about not having an actual bill on the matter for consideration. Senator McClure expressed concern about the absence of a cash flow projection and income-outflow analysis. Senator Feleciano noted that he had visited with Doug Curtis and Sam Campbell (of Campbell-Becker) with the suggestion that funds be appropriated for an independent study of the project and that the Joint Committee on Economic Development give the matter further study this summer. Senator Vidricksen mentioned the possibility of putting a provision in the omnibus bill that when certain guidelines are met, the state funds would be released by the State Finance Council.

Doug Curtis said that Senator Vidricksen's suggestion would send a signal that the state is interested in supporting the project. He advised that extensive research has been done on the project and that the proposed design of the studio was primarily done by a well-known consultant and there should be no concerns in that area. Senator Salisbury noted that the governor has vetoed a number of Economic Development Initiatives Fund appropriations and that perhaps an appropriation for a feasibility study

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Economic Development,

room 123-S, Statehouse, at 8:00 a.m. ~~XXXX~~ on April 26, 1991

would have a better chance of survival than a \$500,000 appropriation for a loan. Chairman Kerr asked Mr. Curtis how a recommendation for a feasibility study would affect the plans for the studio. Mr. Curtis said it would delay construction of the facility but the most important thing is to keep the effort alive and that recommendation would be preferable to an outright rejection of any type of assistance.

Senator McClure said she would like to see an interim study on the matter. Senator Francisco made a motion to recommend to the full Senate the removal of the \$750,000 from the omnibus bill, and Senator Brady seconded the motion. Senator Feleciano made a substitute motion to recommend that the Senate appropriate at least \$25,000 for an independent feasibility study and that a summer interim study be conducted on the entire subject matter. Senator Petty seconded the substitute motion. Senator McClure suggested that the substitute motion include a recommendation that the topic be studied by both the Joint Committee on Economic Development and the Arts and Cultural Resources Committee. Senator Brady seconded the suggestion to broaden the substitute motion, and the substitute motion carried.

Chairman Kerr thanked Doug Curtis and others for their hard work on the matter.

Chairman Kerr initiated a discussion of several vetoes made by the governor in the area of economic development. There was particular concern expressed regarding the arts funding, the funding related to the National Institute for Standards and Technology grant to the Kansas Technology Enterprise Corporation, KTEC salaries and salaries for the value added center. Committee members expressed great concern that the NIST grant is in jeopardy because of the veto of the state funding.

Senator Salisbury moved that the minutes of the two meetings on April 24, 1991 be approved. Senator Petty seconded the motion, and the motion carried.

Chairman Kerr thanked Committee members for their hard work this session, especially during the veto session.

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



# Topeka Convention and Visitors Bureau

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April 26, 1991

## FILM STUDIO PROJECT

My name is Betty Simecka and I am President of the Topeka Convention and Visitors Bureau and head up the Topeka Film Commission which is now part of Kansas III along with Lawrence and Overland Park.

I just want to emphasize the necessity of a film studio and to add that to wait is going to dilute the momentum built thus far by the Kansas Film Commission, the independent film commissions in Kansas and Doug Curtis and his group who have worked so diligently the past five years researching this project.

The studio's location is critical to meet the needs of the film community whether they be film producers or potential film makers. Obviously, Mr. Curtis and his group chose Lawrence because of its proximity to Kansas City and the fact the University of Kansas could tap into a very important resource. With this in mind, I take exception to the Secretary of Commerce's remark that the state should look for someone else to build and run the studio. Doug Curtis and the other California members of the Kansas Film Commission have been so dedicated to our efforts and there is no group of people outside of our communities who have done more for film production in Kansas.

I would urge to reconsider the proposal with a new perspective and for you to also know that the Topeka Film Commission is 100% behind this project.

Attachment 1  
4/26/91  
Sen. Eco. Devel.