

Approved February 19, 1992
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 February 18, 1992 in room 123-S of the Capitol.

All members were present ~~except~~.

Committee staff present:

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

Conferees appearing before the committee:

David Owen, KC Theme Park, Inc.
Robert Kory, Attorney, Los Angeles
Gary Goddard, Landmark Entertainment Group

David Owen described the proposed "The Wonderful World of Oz" Theme Park as a project to develop a Disney quality major theme park using the Wizard of Oz theme. He introduced the principals of KC Theme Park, Inc., which was organized to develop this theme park in Kansas City (Attachment 1). Mr. Owen also introduced several city officials from Kansas City, Kansas and representatives of other groups involved in the project. He mentioned that both the City of Kansas City and the Board of Public Utilities have provided grants for the project. Mr. Owen said the theme park would have a major economic impact including 2,000 to 2,500 jobs initially and an investment of \$200 to \$250 million.

Robert Kory, who specializes in entertainment law, described the efforts of the organization which resulted in Turner Broadcasting granting licensing and merchandising rights to "The Wizard of Oz" movie. Mr. Kory advised that a feasibility study is being conducted by Harrison Price Company (described in Attachment 1).

Gary Goddard talked about the design development of the project. He used a diagram to show the planned layout of the park and utilized picture boards to describe each of the six areas of the proposed park: Old Kansas, Munchkinland, Yellow Brick County, Emerald City, Castle of the Wicked Witch and Glinda's Kingdom. Mr. Goddard said it is intended that the park will eventually be a destination resort type of facility, with hotels, golf course, water attraction, etc. and will have special events throughout the year, including winter months.

Senator Petty asked about the feasibility study. Mr. Goddard noted that this type of project involves two processes: an economic analysis and a visitation rate based on the attraction. He noted that there are 62 million people within a day's drive of Kansas City.

Senator Vidricksen asked if the proposed project also includes a movie studio, and Mr. Goddard said it does. Mr. Kory said the organization is in the process of concluding a consulting agreement with Paramount Studios.

Senator Winter asked about the physical size of the park. Mr. Kory advised that the initial phase would cover about 50 acres and that there is an option for 1,000 acres. He said they expect a phased development process. He compared marketing advantages of the project with Disney parks. Mr. Goddard stressed that the project is a "destination resort" concept. Senator Winter asked if casino gambling has any effect on the project. Mr. Owen answered that it does not and said that they do not care one way or the other as it relates to this project.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Economic Development,
room 123-S, Statehouse, at 8:00 a.m./~~p.m.~~ on February 18, 1992

Chairman Kerr asked if Turner Broadcasting has involvement beyond the rights and licensing agreement. Mr. Kory said that Turner is open to discussion of further involvement, such as possibly producing a children's show at the proposed studio. Chairman Kerr questioned how the estimated \$200 to \$250 million investment would compare with Worlds of Fun and was advised that Worlds of Fun cost about \$20 million to construct in 1973. Mr. Owen said the impact of the project compares to the combined impact of the Kansas City Royals, Kansas City Chiefs and Worlds of Fun. Chairman Kerr asked if there are any Kansas incentives the organization is planning to access or will be seeking. Mr. Owen said that it's a little early for incentives but noted that there is a bill which would provide matching grants for entertainment types of projects and said there would be interest in something of that nature.

The Committee viewed a video describing Landmark Entertainment Group.

Senator Winter moved that the minutes of the February 14, 1992 meeting be approved. Senator Oleen seconded the motion, and the motion carried.

The meeting adjourned at 9:00. The next meeting of the Committee will be Wednesday, February 19, 1992.

KC Theme Park, Inc.

February 18, 1992

Attachment 1
2/18/92
Sen. Eco Dev.

KC Theme Park, Inc.

KC Theme Park, Inc. is a Kansas corporation formed to develop "The Wonderful World of Oz" Theme Park in Kansas City, Kansas.

The company's principals are:

- Former Kansas Lieutenant Governor David C. Owen, chairman and chief executive officer. Owen is also vice president of Stephens Inc., a leading investment banking firm. He has also served as a state senator and is well known as a leader in business and government;
- Kansas City, Kansas business owner Gus Fasone, president of KC Theme Park, Inc., has been a successful restaurateur in Wyandotte County for thirty years. He is also a co-founder of the well known Sandstone Amphitheatre, which he began in 1984 and subsequently sold in 1989;
- William McKenzie, CPA, is vice president and chief financial officer. He is recognized nationally as one of the leading accountants in the personal appearance and attraction aspects of the entertainment business. Since 1981, he has served as president of McKenzie Accountancy Corp. From 1977 to 1981, he served as chief financial officer of Concerts West, the leading national tour promoter in the U.S. He has also served as chief financial officer of Kay Smith Enterprises, which owned a wide variety of entertainment properties including radio and television stations, a concert touring company and other interests. Mr. McKenzie began his career with Arthur Andersen;
- Los Angeles-based attorney Robert Kory is the executive vice president, chief operating officer, secretary and general counsel for the company. He has been managing partner of his own law firm since 1989. Prior to that time he was an associate with Gibson, Dunn & Crutcher, Los Angeles. He has developed a specialty in entertainment project finance and has completed private placements and public offerings for a wide variety of entertainment projects including films, amphitheatres, casinos and resorts. He is also conversant with the intellectual property rights issues necessary to develop a theme park based on "The Wizard of Oz."

The company has secured the licensing and merchandising rights to characters and themes portrayed in the movie "The Wizard of Oz" from the **Turner Broadcasting Network**.

KC Theme Park Team Members

Landmark Entertainment Group (Gary Goddard, President) is a Los Angeles developer of major theme parks and theme park components operating nationally and internationally. The company has created award-winning projects and parks for such groups as Universal Studios, in Hollywood; Caesar's Palace, Las Vegas; the Enchanted Laboratory at Busch Gardens in Williamsburg, Va.; special effects for the Ghostbusters exhibit at Universal Studios in Florida; the Master Power Tour for Mattel Toys, Inc. and the San Rio Valley Theme Park in San Rio, Japan.

Harrison Price Company, Torrance, Calif. was founded in 1978 by Harrison A. Price, a preeminent consulting economist who personally conducted all of the site location and feasibility studies that led to the construction of Disneyland in California and Disney World in Florida. He has directed more than 2,000 recreation studies throughout the world, including more than 100 studies for the Disney organization, plus many other studies for the most respected companies in the leisure industry -- Sea World, Six Flags Corporation, MCA, Inc., Knott's Berry Farm, Marriott Corporation and Marine World/Africa USA, among others. Public sector work has encompassed assignments for the Smithsonian Institution, National Park Service, the U.S. Fish & Wildlife Service and other museums, science centers, performing arts centers and cultural facilities.

Corporate Communications Group, Inc., founded by David H. Westbrook in 1974 and based in Overland Park, Kansas, is a full service marketing communications firm specializing in service based clients and those leading their industries in such areas as health care, finance, information and technology, education, transportation, law, professional services and entertainment. CCG works with local and national companies and associations in developing and implementing programs designed to enhance images, increase market share, and successfully manage public issues.

Initially, a nationally known advertising agency with offices in St. Louis, Mo., has been engaged to conduct focus group studies and regional market research for the Land of Oz theme park concept and creating a pilot video for television promotion of the project.

Mayer Hoffman McCann, Kansas City, Mo., is one of the area's largest, independent public accounting firms. In 1989, the firm was engaged to prepare a study on the economic impact of the Kansas City Chiefs football club and the Kansas City Royals baseball club on the state of Missouri.

J.E. Dunn Construction Company, one of Kansas City's largest general contractors. The firm provides general construction services, program and construction management, design/build and preconstruction services. The construction firm has entered into an agreement to provide construction services for KC Theme Park, Inc.