

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Barbara P. Allen at 1:30 p.m. on February 11, 1997 in Room 522-S of the Capitol.

All members were present except: Rep. O'Neal - excused
Rep. J. Peterson - excused

Committee staff present: Carolyn Rampey, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee: Steve Williams, Secretary, Department of Wildlife and Parks
Rep. Jack Wempe
Jean Barbee, Executive Director of TIAK
Doug Lawrence, State of Racing Industry

Others attending: See attached list

Chairperson Allen introduced a draft of the NASCAR Racing bill (7RS0847). **Rep. Huff moved and Rep. Alldritt seconded the motion to introduce the bill. The motion carried.**

Chairperson Allen brought the Committee's attention to the draft of 7RS0854, related to developing lake resorts in Kansas. This would call for the Secretary of KDOCH and Secretary of Wildlife and Parks to direct and implement a study of developing lake resorts in Kansas. **Rep. Presta made a motion to introduce the bill. Rep. Palmer seconded. The motion carried.**

Chairperson Allen described for the committee a tourism study bill, calling for a large scale study of tourism efforts in Kansas, to be funded by the state, calling for a consultant to be hired, and establishing a tourism council made of government types, legislators and Secretaries. The study would be done over the summer and fall, and the results reported to the 1998 legislature. **Rep. Benlon made a motion to introduce conceptual legislation regarding the tourism study bill, and Rep. Alldritt seconded the motion. The motion carried.**

The next legislation for discussion would create a state tourism fund. Any excess up to 5 million per year for four years, above the 50 million that goes to the state gaming revenues fund, would go into the state tourism fund. **Rep. Alldritt moved and Rep. Phelps seconded to introduce conceptual legislation creating a state tourism fund. The motion carried.**

Chairperson Allen opened the hearing on **HB2188 - concerning the department of wildlife and parks; relating to improvement and development of certain state parks.**

Rep Wempe, proponent, was recognized by Chairperson Allen to address the committee. **HB2188** creates a framework and provides a financial incentive for both the affected county and the department (**Attachment 1**).

Chairperson Allen recognized Steve Williams, proponent, who stated that the Wildlife and Parks Department appreciates the desire and aggressive thinking to provide recreational opportunities within and without Kansas borders. The bill would require that the Department conduct site studies on nine parks in the Wildlife and Parks Department system. The Department would identify areas within a state park suitable for development, and let requests for proposals for bids for construction for cabins or cottages, providing opportunity for persons not available to the parks at this time (**Attachment 2**).

Jean Barbee was recognized by Chairperson Allen as a proponent. TIAK is supportive of **HB2188**. According to a 1994 study that TIAK did, based on number of visits, seven of the top ten attractions in Kansas are state parks. Beefing up our family vacation attractions and facilities could cause us to continue to increase our share of the leisure travel market. From the standpoint of the travel industry, increasing the

CONTINUATION SHEET

MINUTES OF THE HOUSE TOURISM COMMITTEE, Room 522-S-S Statehouse, at 1:30 p.m. on February 11, 1997.

opportunities for families to spend leisure time in Kansas must be supported (Attachment 3).

Chairperson Allen closed the hearing on HB2188 - concerning the department of wildlife and parks; relating to improvement and development of certain state parks.

Chairperson Allen brought the Committee's attention to a letter received from the Kansas Sampler Foundation. Marci Penner, Director, had done a presentation before the committee on January 23, 1997 (Attachment 4).

Chairperson Allen recognized Doug Lawrence, coordinator for an organization called K-RACE, who addressed the committee. K-RACE stands for Kansans for Racetracks, Agriculture, Charities and Employment. The Kansas racetracks are different from other gaming entertainment facilities in that they have associated agricultural industries. Mr. Lawrence testified this industry is important to Kansas, and that it can bring people here, offer entertainment and complete the tourism picture for our state (Attachment 5).

Chairperson Allen told the committee the Tourism committee would be meeting every day next week except Friday, as there were 4 bills to discuss and take possible action on. Chairperson Allen reminded the committee anyone going on the trip to Sternberg Museum at Hays had a memo passed out telling them where to be and what time on Thursday, February 13, 1997.

Chairperson Allen adjourned the meeting at 2:10 p.m.

The next meeting is scheduled for February 17, 1997.

HOUSE TOURISIM COMMITTEE GUEST LIST

DATE: Tuesday Feb 11

NAME	REPRESENTING
Doug Lawrence	K RACE
Steve Blanck	Hubbell + Assoc.
Wynne Hays	Ks. Racing & Gaming Comm.
Leigh Anne Horton	Budget Division
Jean Barber	Travel Ind. Assn. of KS
DICK CARTER, JR	KDWP
Dick Koeth	KDWP
Susan Paxson	Amer. Environmental
STEVE WILLIAMS	KDWP
Cynthia Abbott	Ks. Audubon Council
Dave Schneider	Kansas For Life Nat. Its Best
Alean Thompson	Stand Up For Ks.
Dan Hamer	Visitor
Marine Kruse	KDOETH - Tourism
Alan Steppat	Pete McGill & Associates
Don Rezac	K-R. A.C.F.
Steve Montgomery	Ks. Greyhound Kennel Owners' Assoc
J.P. Small	Ks Quarterhorse Racing Assn
Charles Benjamin	Ks. Natural Resource Council / Ks Sierra Club

STATE OF KANSAS

J. R. (JACK) WEMPE
REPRESENTATIVE, ONE HUNDRED THIRTEENTH DISTRICT
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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: ECONOMIC DEVELOPMENT
TAXATION
SELECT COMMITTEE ON HIGHER EDUCATION
JOINT COMMITTEE ON ECONOMIC DEVELOPMENT

TESTIMONY : Tourism Committee : JACK WEMPE : 2-11-97

Madam Chairman and members of the Committee

HB 2188 represents a concept in skeletal form. It is incomplete and needs significant input from this committee and from the Department of Wildlife and Parks. But it does represent a departure from past policy which has the potential for creating a significant asset which, in turn, can contribute to tourism and to the quality of life in Kansas.

The list of affected state parks is perhaps too extensive or perhaps should be broadened. This is an area for committee discussion. No policy is proposed for the development of necessary infrastructure. Another area for discussion. The issue of state fees for park usage as it affects potential users of the facilities must be considered.

The proposal, however, does create a framework and does provide a financial incentive for both the affected county and the Department to pursue the proposal.

I stand for questions.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
913/296-2281 FAX 913/296-6953



TO: Representative Barbara Allen, 21st District
Chairperson, Committee on Tourism

FROM: Steven A. Williams, ^{SAW} Secretary of Wildlife and Parks

SUBJECT: Testimony on HB 2188

DATE: February 11, 1997

House Bill No. 2188, by Representative Wempe, is new legislation which would require the Secretary of Wildlife and Parks to identify and select sites suitable for the development of commercial, family oriented, lodging areas at certain parks. The bill list nine state parks for which the site studies would be prepared. The site studies would take into consideration the mission of the facility, any environmental considerations, and the availability of utilities. Any other state parks for which a site study would be prepared would be at the discretion of the Secretary. The nine state parks for which site studies would be prepared are Clinton, Hillsdale, Kanopolis, El Dorado, Cheney, Wilson, Milford, Tuttle Creek, and Pomona.

The bill would authorize the Secretary to negotiate for a long-term lease with a private sector developer for improvement and development of any selected state park site. The bill requires the Kansas Department of Wildlife and Parks (KDWP) to advertise for proposal plans, with bids, for development of sites on which the commercial, family oriented, lodging facility would be located. The advertisement for bids would identify the area to be developed, the purpose of the development, and state that further information could be obtained from KDWP. The KDWP would consider all submitted proposals and evaluate the financial and legal ability of the private sector developers making such proposals to fulfil the development obligations included in their proposal. In addition, the KDWP is authorized to negotiate with any private sector developer for a proposal with bid and to accept an appropriate bid.

The bill provides that the facilities developed on the selected site would be exempt from ad valorem property taxes. However, the developer would be required to provide a payment in lieu of taxes to the county in which the facility is located. It is assumed that any moneys received by the county would be divided between the county and the KDWP Park Fee Fund.

House Tourism
2-11-97
Attachment 2

The bill would require the KDWP to conduct site evaluation studies for at least nine state parks as listed above. Any other studies would be at the discretion of the Secretary. In addition, the KDWP would utilize a bid process, as described in HB 2188, to select a developer who might be interested in the development of a commercial, family oriented, lodging facility at a site as described in the advertisement for bids.

The KDWP leases the land on which the nine state parks listed above are located. The leases are signed with the U.S. Army Corps of Engineers (COE) and the U.S. Bureau of Reclamation (BOR). The KDWP could not approve of a sublease for development of a commercial facility without the approval of the COE or BOR. In addition, any facilities developed would become the property of the COE or BOR upon expiration of the lease. The existing leases on the nine facilities listed in HB 2188 expire between the years 2000 and 2041, depending on the individual state park.

The state parks were developed with the utilization of Federal Land and Water Conservation Funds provided by the U.S. National Park Service (NPS). The utilization of the federal LWCF funds requires the KDWP to adhere to certain restrictions on the use of the state parks for commercial development. In other words, the KDWP would also need to have the NPS review any proposed development for adherence to federal restrictions on outdoor recreation facilities developed on property to which Federal LWCF restrictions apply.

Existing state law (KSA 32-867 to 32-873) authorize the Secretary of Wildlife and Parks to sell bonds and develop a resort on a site approved by the Legislature. HB 2188 would require a private developer to develop the commercial, family oriented, lodging facility and site selection would not require the approval of the legislature but would be determined by the Secretary based upon the bid process and proposal selection process described above.

The fiscal impact of HB 2188 to the KDWP would be generated by conducting the required general site selection studies for the nine state parks listed above. The cost of such studies would vary for each of the parks listed and can not be estimated at this time. By state law, the Division of Architectural Services , Department of Administration, would be responsible for the design, bid process, and construction monitoring of any facilities that might be authorized by the provisions of this bill. In addition, the fiscal impact is based on the condition that any private developer selected, as authorized by this bill, would be responsible for all cost of development including any improvements required to the existing state parks infrastructure such as utilities or roads.

The KDWP estimates that the cost to prepare site selection studies for the nine state parks listed in HB 2188 and for service fees to the Division of Architectural Services would be approximately 10 percent of development cost. The variance in cost is due to the number of potential sites at a particular park and the effort required to conduct environmental and infrastructure studies. Any cost associated with these studies would need to be financed from the State General Fund and would be in addition to amounts contained in the FY 1998 Governor's Budget Report.

The KDWP would not require any additional staff to monitor the development of a commercial, family oriented, lodging facility on a state park. Any review of development that would be performed by KDWP could be done with existing staff. The Division of Architectural Services would be responsible for monitoring activity which could include review of construction documents, actual on site review during construction, and construction contract review and approval. In addition, the COE or the BOR may require the KDWP to perform certain duties regarding development of facilities on property subleased by the Department. The magnitude of these duties, if any, can not be estimated at this time. Any costs associated with these positions would be in addition to the Governor's recommendations.

The development of commercial, family oriented, lodging facilities on state parks will impact the visitation to the parks on which such facilities are located. This impact could be negative or positive depending on the type of facility, usage, and impact to the existing camping facilities.

It should be noted that the KDWP operates a statewide park system which is in need of major repairs and infrastructure improvements. Any funding approved for development of the lodging facilities authorized by this bill would detract from efforts to improve existing facilities.

It is hoped the above information is useful to you and your Committee. If you have any questions, or desire additional information, please advise.

WP\test2188



Travel
Industry
Association of
Kansas

DATE: February 11, 1997
TO: HOUSE TOURISM COMMITTEE
FROM: Jean Barbee, Executive Director
RE: Kansas Travel & Tourism Industry

Jayhawk Tower
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Topeka, Kansas 66603-3758
913 /233-9465 FAX 913 /357-6629

Mr. Chairman and members of the committee, my name is Jean Barbee. I am the Executive Director of the Travel Industry Association of Kansas (TIAK).
The legislative goals of TIAK are to support public policy which will:

- **Insure adequate public access to natural resources which provide recreational opportunities**
- **Sustain historical preservation**
- **Create an environment conducive to tourism business**
- **Provide for the promotion and marketing of tourism activities, attractions, events and businesses**
- **Assure the adequate servicing of the tourist**
- **Encourage efficiency in state government through partnerships**

HB-2188 appears to fit several of those goals and TIAK is supportive of HB-2188.

One of the problems we have in the tourism industry, as you've heard from us before, is the lack of adequate statistical tracking of existing tourism business and lack of an impartial, objective plan.

I was able to pull a '1995 Person-Trips' report from my file. This was completed in August of 1995 and is based on 1994 travel statistics. The study was authorized by the Department of Travel & Tourism.

The study includes other 'heartland' states and focuses on leisure travel. On page one of the Executive Summary, for instance, you will see that though overnight leisure travel to Kansas increased in 1994, day-trips decreased. You'll also note that our market share went down slightly in 1994.

Probably the most telling information in this study that relates to this bill is on pages 3 and 4 of the Executive Summary.

- "Kansas is more of a 'getaway weekend' destination than a general vacation destination
- over half of non-vacation travel to Kansas was to visit friends and relatives (increased 5% from '93 to '94);
- 90% of leisure visitors traveled by car;
- and 61% of all leisure trips to Kansas were by families,

Add to these facts the fact that, based on number of visits, seven of the top ten attractions in Kansas are state parks and this may tell us that beefing up our family vacation attractions and facilities could cause us to continue to increase our share of the leisure travel market.

Certainly from the standpoint of the travel industry, increasing the opportunities for families to spend leisure time in Kansas must be supported.

*House Tourism.
2-11-97
Attachment 3*

1995 Person-Trips

Domestic Leisure and Business Travel (millions)

	<u>United States</u>			<u>% Change</u>	
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>'95/'93</u>	<u>'95/'94</u>
Total	2,437	2,534	2,592	6.0%	2.0%
Leisure	1,754	1,809	1,821	3.8%	0.7%
Business	683	725	771	12.8%	6.3%

	<u>Kansas</u>			<u>% Change</u>	
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>'95/'93</u>	<u>'95/'94</u>
Total	24.3	25.7	26.4	8.6%	2.7%
Leisure	18.6	18.5	18.7	0.5%	1.0%
Business	6.5	7.2	7.7	18.5%	6.9%

Kansas Leisure Volume (millions)

	<u>Kansas Leisure</u>			<u>% Change</u>	
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>'95/'93</u>	<u>'95/'94</u>
Residents	NA	10.1	9.9	NA	-2.0%
Non-Residents	NA	8.4	8.8	NA	4.8%
Day Trips	NA	9.6	9.5	NA	-1.0%
Overnight	NA	8.9	9.2	NA	3.3%

Source: DKS&A: Executive DIRECTIONS

EXECUTIVE SUMMARY

1994 Kansas Travel Trends

by: D.K. Shifflet & Associates Ltd.
for: Travel & Tourism Development Division
Kansas Department of Commerce & Housing

VOLUME/SHARE

Volume

The volume of Leisure Person-Trips to Kansas was estimated at 18.5 million in 1994, a slight decrease of 1% from 1993 (18.6 million).

- Kansas' volume of Leisure travel was higher than Nebraska's (15.6 million) but lower than other surrounding states.
- Missouri has the largest volume of Leisure travel (42.8 million), followed by Colorado (33.8), Iowa (26.8), and Oklahoma (23.6).

Resident vs. Non-Resident: Kansas Leisure Travel

- Residents accounted for 10.1 million Person-Trips, a 2% increase compared to 1993 (9.9 million).
- Non-Residents accounted for 8.4 million Person-Trips, a 3% decrease from 1993 (8.7 million).

Overnight vs. Day-Trips: Kansas Leisure Travel

- Overnight Leisure travel to Kansas increased from 8.8 Million in 1993 to 8.9 million in 1994.
- Day-Trips decreased from 9.8 million in 1993 to 9.6 million in 1994.

Share

Kansas' share of US Leisure travel was 1.0% in 1994, down slightly from 1993 (1.1%).

- Among surrounding states, Missouri had the largest share of US Leisure travel (2.4%), followed by Colorado (1.9%), Iowa (1.5%), Oklahoma (1.3%), and Nebraska (0.9%).
 - Missouri's (2.2% in 1993) and Colorado's (1.8% in 1993) share of US travel increased, while Iowa's and Nebraska's share was flat.
 - Oklahoma's share of US Leisure Travel decreased from 1.4% in 1993 to 1.3% in 1994.



EXECUTIVE SUMMARY

1994 Kansas Travel Trends

ORIGIN MARKETS

Person-Trips

Kansas and its seven surrounding states accounted for the vast majority (87%) of Leisure travel to the state.*

- In 1994, greater than one-half (55%) of all Leisure travel was by residents, a slight increase from 1993 (53%).
- After Kansas, Oklahoma (9%) contributed the largest share of Leisure travel to Kansas, followed by Missouri (7%), Texas (6%), Nebraska (3%), Colorado (3%), and Arkansas and Iowa with 2% each.
 - In 1994, travel from Nebraska and Iowa increased, while travel from Missouri and Texas declined.

Based on travel indexes**, the following states were the largest relative contributors of Leisure travel to Kansas:

- Kansas had the highest Leisure Travel Index (Index = 5,384), followed by Oklahoma (696), Nebraska (464), Missouri (330), Arkansas (268), Colorado (214), and Iowa (176).

Person-Days

Person Days differs from Person-Trips because it takes length of stay into account. For example, if two people travel to Topeka for 5 days, that is 2 Person-Trips but 10 Person-Days. Person-Days are a good measure to use when looking at Origin Markets because it accounts for the relative contribution of travel.

- Residents accounted for 38% of Person-Days to Kansas, and non-residents accounted for 62%.
 - This indicates that although Kansas has a high percentage of intrastate travel, surrounding states are very important contributors of Leisure travel to Kansas.

*Origin Market figures are averages from 1992-1994 Leisure travel to Kansas. Directional trends listed below from 1993-1994 are accurate within the 90% confidence interval, +/- 5%.

**The travel index is a ratio of the state's proportion of travel to Kansas to its share of the U.S. household population. An index of 100 indicates that the state's contribution is about average when adjusted to the population, an index above 100 indicates a higher contribution level than its share of U.S. households, and an index below 100 indicates a lower contribution level.

EXECUTIVE SUMMARY

1994 Kansas Travel Trends

PURPOSE & ACTIVITIES

Purpose

Vacations

Vacations accounted for 17 percent of travel to Kansas, much less than U.S. travel (29%) but very similar to Iowa (18%), Nebraska (16%), and Oklahoma (17%).

- The percentage of Vacation travel to Colorado (36%) and Missouri (29%) was much higher than Kansas.
- Vacation travel to Kansas increased in 1994 (14% in 1993).

Vacations*

With the exception of Oklahoma, Kansas is more of a Getaway Weekend destination (11% of Leisure travel) than a General Vacation destination (6%) when compared to surrounding states.

- The share of Leisure travel accounted for by Getaway Weekends and General Vacation for Iowa (8% Getaway Weekend vs. 10% General vacation), Missouri (14% vs. 15%), and Nebraska (8% for both) is much closer.
- Not surprisingly, Colorado attracted twice as many visitors for General Vacations (24%) than Getaway Weekends (12%).

Non-Vacations**

Non-Vacations accounted for 83% of Leisure travel to Kansas in 1994.

- Over half of Non-Vacation travel to Kansas (43%) was to Visit Friends and Relatives, similar to Iowa (43%), Nebraska (43%), and Oklahoma (41%).
- VFR travel to Kansas increased in 1994 (38% in 1993).

Activities

Touring by Auto or Bus (10%) and Watching Sporting Events (9%) were the two most popular Leisure activities for visitors to Kansas in 1994.

- Also popular was Attending Festivals and Crafts Fair (5%), Auto/Antique Shows (5%), and Cultural Events such as Museums or Plays (5%).
- Four percent of Leisure visitors visited Historic Sites and 4% went Hunting or Fishing.

These activities were also popular for visitors to Iowa, Nebraska, and Oklahoma.

*Vacations include General Vacations and Weekend Escapes

**Non-Vacations include Visiting Friends and Relatives, Personal Business, and Special Events

EXECUTIVE SUMMARY

1994 Kansas Travel Trends

EXPENDITURES

Leisure travelers to Kansas spent \$60 per person per day in 1994, an increase of \$3 compared to 1993, but below the average for US Leisure travelers (\$78).

- Visitors to Nebraska (\$65), Oklahoma (\$60), and Iowa (\$56) spent similar amounts of money.
- Among surrounding states, visitors to Colorado spent the most (\$87), followed by Missouri (\$72).

TRAVEL PATTERNS

Transportation

Nine of ten (90%) of Leisure visitors to Kansas traveled by car and 4% traveled by air.

- Among surrounding states, travel by air was higher to Colorado (10%) and Missouri (7%).

Party Composition

Although over one-third (34%) of all Leisure trips to Kansas were by Families, Kansas was also popular Leisure destination for Couples (27%), and Adults Traveling Alone (28%).

- Family travel to Nebraska (39%), Oklahoma (37%), and Iowa (36%) was higher than Kansas but, overall, the party composition of travel to Kansas was similar to surrounding states.
- Travel by Families to Kansas increased in 1994 (30% in 1993).

Average Length of Stay/Visit

The average length of Leisure visits to Kansas (1.9 days) was lower than U.S. Leisure travel but similar to Oklahoma (2.0), Nebraska (1.9), and Iowa (1.8)

- The average length of stay for travelers to Colorado (2.3) and Missouri (2.3) was higher.

Day-Trips were responsible for over half (52%) of Leisure travel to Kansas in 1994 (53% in 1993).

- A majority of Leisure travel to Iowa, Nebraska, and Oklahoma were also Day-Trips.
- By contrast, only 45% of leisure trip to Colorado and 44% to Missouri were Day-Trips.

Short Stays (1 to 3 nights) accounted for 40% Leisure trips to Kansas and Medium Stays (4 to 7 nights) accounted for an additional 7%.

EXECUTIVE SUMMARY

1994 Kansas Travel Trends

TRAVELER DEMOGRAPHICS

Letsure travelers to Kansas had similar demographic profiles to Letsure travelers to surrounding states, although Letsure travelers to Colorado and Missouri had somewhat higher incomes and tended to have a higher level of education and more professional occupations.

The average **age** of Letsure travelers to Kansas (41) was the same as the average age of visitors to most of its surrounding states and only slightly less than the age of US Letsure travelers (42) and Letsure travelers to Colorado.

- The age distribution of Letsure travelers to Kansas was similar to its surrounding states and US Letsure travel.

The average **income** of Letsure travelers to Kansas (\$39,000) was higher than the average income of visitors to Iowa (\$37,000), Nebraska (\$37,000) and Oklahoma (\$35,000), but lower than Letsure travelers to Missouri (\$40,000), Colorado (\$40,000) and US Letsure travelers (\$44,000).

Letsure travelers to Kansas had similar **occupations** and **educational** backgrounds as Letsure travelers to surrounding states, but were less educated and a lesser percentage were employed in professional occupations when compared to US Letsure travelers.



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K A N S A S S A M P L E R F O U N D A T I O N

February 4, 1997

Rep. Barbara Allen
State Capitol
Topeka, KS 66612

Dear Rep. Allen,

I wanted to thank you for the opportunity to make a presentation to the House Tourism Committee on January 23. Our goal was to give your committee exposure to the Kansas Sampler Foundation and rural communities. We were happy to have met that goal.

Our organization definitely needs funding support but we would like to proceed with a goal that we know we can succeed in with you and that would be to keep you updated about the work of the Kansas Sampler Foundation and the continued successful grassroots efforts in rural communities. Our approach will not be to continually ask you for money but to rather show you the mutual benefit that the rural communities and the Kansas Sampler Foundation derive from each other. We also want to show how this relationship is useful to the State of Kansas and is filling a void.

Last week we spoke to the annual Norton Chamber of Commerce banquet. After that, Betty (assistant director) and I were guests at the beautifully restored LandMark Inn B&B and Tellers Restaurant in Oberlin. The LandMark was originally an 1880s bank. The end of last week we hosted a basic grantwriting seminar at our Kansas Sampler Center. Representatives from communities like Canton, Buhler, Cimarron, and Lindsborg were in attendance. Shannon Thom from Isabel was the presenter. We had a full house with 30 participants.

We will be writing the next *We Kan!* newsletter next week and will be sending you a copy.

We wish you well with your current agenda.

Sincerely,

Marci Penner, Director

Betty Van Osdol, Assistant Director

House Tourism
2-11-97

Attachment 4

K R A C E

The Woodlands
The Kansas Thoroughbred Assn.
Camptown Greyhound Park
Wichita Greyhound Charities

Wichita Greyhound Park
The Kansas Quarter Horse Racing Assn.
The Kansas Kennel Operators Assn.
The Racing Association of Kansas East

Thank you for this opportunity to address this committee today. I am here because your committee's focus is tourism. Tourism is important to Kansas, and Kansans. As the coordinator for an organization called K-RACE, I am working to help save an important tourism asset in our state.

K-RACE stands for Kansans for Racetracks, Agriculture, Charities and Employment. Our name literally says it all. We consider the Racing industry an important part of the tourism mix for Kansas. In 1991 and 1992, the Woodlands and Wichita Greyhound Park were the number one and number two privately owned tourist attractions in the State of Kansas.

In 1990, more than 1.7 million people attended Horse and Dog performances at the Woodlands. At the Wichita Greyhound Park more than 750-thousand people attended Greyhound performances during the same year. Unfortunately, with the development of the Missouri Riverboats, and Indian Casinos in and near our state, attendance has declined significantly. In 1996, attendance at the Woodlands fell to less than 400-thousand people. The Wichita Greyhound Park attendance fell to just over 300-thousand people. 1996 brought a drop of more than 100 thousand people in attendance at the Wichita Greyhound Park.

These tracks are competing for the same entertainment customers as the Casinos, which are opening both in and out of state. This week, a major Casino company is expected to announce its intentions to build a 35 million dollar casino on Indian land just north of Topeka. The Missouri Riverboats in the Kansas City market alone, represent a 317 million dollar industry. And, based on Missouri Gaming Commission figures, more than 5.2 Billion dollars are wagered on the Kansas City based riverboats. We have no idea what kind of revenues are associated with the Indian Casinos in Kansas, but we know that new facilities are planned, that essentially bring all forms of gaming to Kansas.

The Kansas racetracks are different from other gaming entertainment facilities in that they have associated agricultural industries. One study has placed the impact of the Horse breeding and training industry in Kansas at 250 million dollars.

Some will say the racing industry is dying. But history tells us otherwise. If Racetracks are allowed to update their products, and offer games similar to others already available in a state, the tracks do well. In Iowa, the Prairie Meadows racing facility is a good example. A prominent and persistent money loser, Prairie Meadows is now a big winner for the Horse Industry, the County that owns it and the state. Interestingly, racetracks can compete well in Iowa against riverboats. And attendance is up, racing wagers are up, and the Iowa breeders are growing significantly in number.

This industry is important to Kansas. It can bring people here, offer entertainment and complete the tourism picture for our state. But, it is an industry that needs the ability to compete on a level playing field with other in-state and out-of-state competitors.

I thank you for the opportunity to speak with you today.