

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Barbara P. Allen at 1:30 p.m. on February 4, 1998 in Room 522-S-of the Capitol.

All members were present except: Representative Adkins - excused
Representative Alldritt - excused
Representative Larkin - excused
Representative O'Neal - excused
Representative Presta - excused

Committee staff present: Tom Severn, Legislative Research Department
Mark Burenheide, Legislative Research Department
Renaë Jefferies, Revisor of Statutes
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee: Secretary Steve Williams, Wildlife & Parks
Dan Wagenmaker, Economic Research Associates
Jerry Hover, Director of Parks & Public Land Division; Wildlife & Parks

Others attending: See attached list

Secretary Williams, recognized by Chairperson Allen, informed the committee of the studies that have been done in accordance with the provisions of the 1997 Legislature Session (**Attachment 1**).

Steve Williams, Secretary, Wildlife & Parks, introduced Dan Wagenmaker, Associate with Economic Research Associates, who made a presentation on the development of the report and the final recommendations. Mr. Wagenmaker reported to the committee the results of the Feasibility Analysis for Kansas State Park Resort Development study. The study was requested when **HB2350 -relating to travel and tourism; concerning certain proposals; establishing a state tourism fund**, was passed by the Legislature during the 1997 Session. Economic Research Associates (ERA) were retained by the Department of Commerce to prepare a feasibility analysis for a resort development at one of twenty-four Kansas state parks. Considering the differences between parks, they are divided into three categories. There are ten parks that have characteristics prohibiting resort development. Eight parks at which resort development is not effectively prohibited, but yet do not have the combination of desirable characteristics. There are six parks in which a resort would be most feasible. Mr. Wagenmaker listed the six parks as Perry, Hillsdale, Milford, Clinton, Eldorado, and Cheney. (**Report on file in Research**).

Chairperson Allen recognized Steve Williams, who introduced Jerry Hover, Director of Parks and Public Lands, Kansas Wildlife & Parks. Mr. Hover reported to the committee on the study done by Kansas Wildlife and Parks on Family Oriented Lodging. **HB 2188 - concerning the department of wildlife and parks; relating to improvement and development of certain state parks; long-term leases; taxation**, passed by the 1997 Legislature, authorizing KDWP's Secretary to identify and select sites suitable for the development of commercial, family oriented lodging (**Attachment 2**).

The meeting was adjourned at 2:50 p.m.

The next meeting is scheduled for February 12, 1998.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
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February 4, 1998

Representative Barbara Allen, Chairperson
Committee On Tourism
House of Representatives
State Capitol Building

Dear Representative Allen:

In accordance with the provisions of 1997 Legislative Session House Bill No. 2350, the Kansas Department of Wildlife and Parks and the Kansas Department of Commerce and Housing engaged a consultant to prepare a feasibility study regarding the potential of developing lake resorts in Kansas. The study was required to consider only sites at existing state parks or lakes. A contract with the consultant firm of Economics Research Associates (ERA), Chicago, Ill., was finalized in the fall of 1997 and the consultant agreed to provide the final copy of the feasibility report by January 15, 1998.

The cost of developing the report was finalized at \$50,000 and was financed with funds provided by the Department of Commerce and Housing. The Kansas Department of Wildlife and Parks provided support material to ERA and made provisions for Department staff to be available at the various state parks when the consultant was at the site.

The 1997 Legislature enacted House Bill No. 2188 authorizing the Kansas Department of Wildlife and Parks (KDWP) Secretary to identify and select sites suitable for the development of commercial, family oriented lodging. The Legislature did not formally define family oriented lodging, but the bill stated that it did not include the development of "lake resorts."

Copies of the final report on resort development have been provided to members of the Committee. In addition, Mr. Dan Wagenmaker, Associate, ERA, will make a presentation on the development of the report and the final recommendations. In addition, Mr. Jerry Hover, Director of Parks, will make a presentation on family lodging. If you or members of the Committee have any questions, we will be available.

Sincerely,

Steve Williams, Secretary
Kansas Department of Wildlife and Parks

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House Tourism
02-04-98
Attachment 1

DRAFT
2-5-98

**KANSAS DEPARTMENT OF WILDLIFE AND PARKS
FAMILY ORIENTED LODGING
REQUEST FOR PROPOSALS**

SCOPE

The Kansas Department of Wildlife and Parks (KDWP) desires to pursue a public/private joint venture to develop family oriented lodging at private expense supplemented by and utilizing support facilities within Kansas' State Parks. KDWP seeks bids from private entities interested in entering into a business relationship with the State of Kansas. KDWP seeks to establish a working business relationship with a firm(s) for the design, construction, maintenance, and operation of a facility that is beneficial both to the private developer and to the State. A variety of options regarding development will be considered as proposed by the respondent. Specific information concerning your proposals and financial statements is required in this solicitation.

PURPOSE

The primary purpose of this RFP is to solicit bids from private entities to assist the State of Kansas in developing family oriented lodging opportunities at various Kansas State Parks. Awards will be made based upon the response to this RFP.

KDWP hopes to realize increased recreational potential at the various parks through development of these additional facilities as well as stimulation of the local tourism economy. Financial viability in the form of optimum return for the investor and the State with equal concern for environmental and aesthetic issues must be hallmarks of any development undertaken. Creativity and innovative development in keeping with the character and purpose of the Kansas State Park system is encouraged.

In responding to this RFP, the respondent should elaborate on what types of lodging opportunities will be developed, the role of the public and private sectors in accomplishing such development, and the qualifications of the firm(s) for the project.

BACKGROUND

The 1997 Legislature enacted House Bill No. 2188, authorizing KDWP's Secretary to identify and select sites suitable for the development of commercial, family oriented lodging. The Legislature did not formally define family oriented lodging, but the bill stated that it did not include the development of "lake resorts." The bill specifically identified nine potential sites, but allowed the secretary flexibility to address other sites as well, so long as they met the facility's mission, environmental concerns, utility availability, and federal agency restrictions where applicable.

The bill directed KDWP to advertise for proposal plans with bids for the development of selected sites. It also gave the secretary the authority to negotiate long-term leases with a private entity for development of selected sites. Prior to accepting a bid, the secretary must ensure that it is in the public's best interest and meets the purposes of this act. The bill allows the owner or owners of such improvements to be exempt from ad valorem property tax. However, they are required to make a contract or contracts for payment of service charges in lieu of the tax in an amount equal to the value of the improvements at a rate of 100 mills to be divided equally among the county of location and the park fee fund.

Upon receipt of proposals and qualifications from interested firms, KDWP will evaluate them and develop a contract for the best proposals from qualified firms for the proposed developments. This process is estimated to encompass approximately two months; however, KDWP will endeavor to complete the process in the shortest possible time span.

FAMILY ORIENTED LODGING DEFINITION AND DESCRIPTION

For the purpose of this RFP, KDWP defines Family Oriented Lodging as follows:

Family Oriented Lodging: Facilities designed to encourage families to experience and enjoy Kansas state parks and other outdoor recreation opportunities by providing basic amenities required for over-night stays through partnerships between the Kansas Department of Wildlife and Parks and private entrepreneurs. Such amenities may include, but are not limited to, cabins; small motels or lodges; and houseboats. It does not include the development of "lake resorts."

KDWP identified the following categories of family oriented lodging facilities. All facilities will be constructed to ADA standards and meet all codes and regulations. The department, Division of Architectural Services, and Bureau of Reclamation (BOR), Corps of Engineers (COE) or National Park Service (NPS), as applicable, will review and approve all plans and specifications.

Cabins: Three types - 1) Primitive: one room, bed, bunks, no toilet/shower; 2) Semi-modern: 1-2 bedrooms, include toilet/shower, potable water; 3) Modern: 2-3 bedrooms, toilet/shower, kitchenette. Air conditioners and heaters may be provided. Exterior to compliment the landscape.

Motels: 10-20 modern units with kitchenette, exterior to compliment the landscape. Condo-style units would also be acceptable.

Lodges: 10-20 modern sleeping rooms, central full kitchen, central lounge and dining area, large screened-in porch or covered deck area, exterior to compliment the landscape.

Houseboats: self-contained, providing all needed amenities and includes moorage and pump-out facilities.

POTENTIAL SITES AND FACILITIES

Each park identified the potential for the various types of facilities and their locations. The following list summarizes, by park, the type of facility and general location.

<u>Park</u>	<u>Facility Type</u>	<u>General Location</u>
Cedar Bluff	Cabins Lodge	Bluffton (NS) and Page Creek (SS) Bluffton (NS) and Page Creek (SS)
Cheney	Cabins Houseboats	West shore, West Toad Stool and Marsh Creek area Marina
Clinton	Houseboats	Marina
Crawford	Cabins	Wooded area west of Marina
Eisenhower	Cabins Lodge	Doud Campground area Between boat ramp and Abilene area
El Dorado	Houseboats	Marina
Elk City	Cabins	Near Marina Road
Fall River	Cabins	Gobblers Nob
Glen Elder	Cabins	Marina area

	Lodge Houseboats	Southwest of Visitor Center Marina
Hillsdale	Houseboats	Marina
Kanopolis	Cabins Lodge Houseboats	Horsethief Area/Langley Point Area Marina area Marina
Lovewell	Cabins Lodge Houseboats	Pioneer and Southwinds Areas Walleye Point Marina area
Meade	Cabins	West of dam
Milford	Houseboats	Marina
Mushroom Rock	None	
Perry	Cabins Lodge Houseboats	North of office (between office and boat ramp) Between office and North boat ramp North boat ramp area
Pomona	Cabins	Waucondah campground area
Prairie Dog	Cabins Lodge	Above refuge Above refuge
Sand Hills	None	
Scott	Cabins Lodge	West side of lake Concession area
Toronto	Cabins Lodge	Toronto Point Toronto Point
Tuttle Creek	Cabins Lodge Houseboats	Fancy Creek and River Pond River Pond/Spillway Marina
Webster	Cabins	West of Group shelter

	Lodge	West of Group shelter
Wilson	Cabins Lodge	Marina Marina

Interested respondents are encouraged to visit the various State Parks. Site visits may be scheduled by contacting the respective State Parks manager. Limited demographics and visitation counts are available upon request.

MINIMUM SERVICES REQUIRED

Proposers must be prepared to develop and offer the following as a minimum level of service at prospective family oriented lodging facilities, and development must be phased in over a specified time period:

1. Proposers must build a minimum number of facilities, based upon RFP descriptions, to accommodate projected users.
2. Facilities must compliment and blend with the landscape. Natural materials should be used as much as possible. All designs and drawings must be approved in advance by KDWP, Division of Architectural Services, and Federal Agencies as applicable.
3. Proposers must develop and offer a reservation system that is readily accessible by prospective public renters on a year-round basis.
4. Proposers must provide routine cleaning and maintenance of the cabins, and be responsible for all repairs and needed renovations.

Proposers may offer recreational services in excess of those listed above in their proposals. The furnishing of additional services will be a consideration in the evaluation of proposals. Proposer is to operate the facilities and nothing more (unless negotiated separately). Industrial, manufacturing, and commercial enterprises are prohibited. Storage of solid waste, toxic or hazardous materials is prohibited on the premises except as needed for the operation of the facilities.

TERM OF DEVELOPMENT CONTRACT

The contract for the financing, design, development, construction, maintenance, and operation and transfer of the facilities may not exceed a period of 25 years or the length of KDWP's current lease with respective Federal agencies as applicable. The contract may provide for renewal for the purpose of permitting continued operation of the

facilities at the option of the Secretary of KDWP for a term or terms not to exceed ten years or the length of KDWP's current lease with respective Federal agencies as applicable.

PAYMENT IN LIEU OF TAXES

All improvements of the selected state park sites shall be exempt from ad valorem property tax but the owner or owners of the improvements shall be required to make a contract or contracts for payment of service charges in lieu of the ad valorem property tax in an amount equal to the value of the improvements as assessed by the county appraiser under the then existing tax process times 100 mills. All in lieu of moneys received will be divided equally between the county of location and the parks fee fund, established under K.S.A. 32-991, and amendments thereto.

REQUIRED PROPOSAL CONTENT

Proposals must contain the following information. This information needs to be thorough and concise.

1. Name, address, and telephone number of the applicant and, if applicable, the name, address and telephone number of a representative authorized to act on behalf of the Proposer during the course of the project.
2. A listing of any/all previous business endeavors including a description of the business operation and status.
3. A description of any management qualifications and experience in similar operations, including developing, operating, and maintaining lodging facilities and providing customer service.
4. If proposer is a corporation, the following must be provided: Articles of Incorporation and by-laws; names, addresses, dates of birth and social security numbers of officers and participating principals and all addresses they have used for the last ten years; Corporate resolution authorizing the proposed transaction; and a summary of corporate activity.
5. If Proposer is a partnership, the applicant must provide the same information requested above except the partnership agreement is needed.
6. If Proposer is a sole proprietor, he/she must provide social security number, date of birth, current address, and all addresses used for the last ten years.
7. A complete description of all services to be provided in the family oriented lodging concession operation and how they meet KDWP's mission and this RFP's objective.

8. A description, location plan and cost estimates for all facilities needed to provide the services offered in the proposal. This should include roads, parking lots, utilities, etc.
9. The proposed basis of a rental fee to be paid to the State (percent of gross receipts, flat fee, or other suggested basis for determining lease fee).
10. The proposed length of the family oriented lodging concession's agreement (term of years), the expiration of which would be subject to renewal or, if not renewed, would result in all facilities becoming the property of the State of Kansas unless removed and the site returned to previous condition.
11. Your approach to marketing the respective elements of the project.
12. Statement of financial capability (fill out the attached personal and financial statement forms).

PROPOSAL EVALUATION FACTORS

Proposals will be evaluated by an agency selection committee utilizing the following factors. Selection of the successful proposal will be determined by that committee. Selection of the successful proposal will be determined by that committee subject to approval by the Secretary.

- A. Innovative proposals to meet or exceed KDWP's mission and this RFP's objective (30 points).
- B. Thoroughness of the proposal (20 points).
- C. Qualifications and experience of the person or firm (20 points).
- D. Demonstrated ability to finance the proposed development (20 points).
- E. Innovative proposals for energy conservation, waste reduction, recycling and natural resource management on the site (10 points).

FREEDOM OF INFORMATION

If the respondent believes the information provided to contain trade secrets or confidential commercial or financial information except from disclosure under the Freedom of Information Act, the cover page of each copy of the information shall be so marked. The providing firm must also specifically identify what it considers to be trade secret information. Information so correctly identified shall not be made public except as may otherwise be permitted or required by law.

ATTACHMENTS

- Statewide maps showing major roadways, general amenities and proximity to major metropolitan area.
- List of State Parks and respective managers.
- Personal and Financial Statement Forms

SUBMITTING RESPONSES

All responses to this RFP are to be received no later than 5:00 p.m. on March 27, 1998. Please direct questions and responses to this RFP to the following:

Allen Stoops, Purchasing
Kansas Department of Wildlife and Parks
10363 SE 25th Ave
Pratt, KS 67124
Phone: (316) 672-5911 Fax: (316) 672-6020