

MINUTES OF THE SENATE TRANSPORTATION & TOURISM COMMITTEE.

The meeting was called to order by Chairperson Senator Ben Vidricksen at 9:05 a.m. on March 4, 1999 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Steve Williams, Wildlife & Parks

Others attending: See attached sheet

Briefing on status of lake resorts

Steve Williams, Secretary Department of Wildlife & Parks, briefly recapped legislation enacted last year which directed his department to work toward development of lake resorts in the State of Kansas. In short, they have not made any progress to speak of. Mr. Williams outlined actions taken, explaining they really were not sure which way to go (Attachment 1). No one in the Department has had any previous experience in developing lake resorts and are hiring consultants to help them. They will use the same consulting firm who did the original study regarding which lakes would be suitable for development. He reminded members that any developers who came in would have to work with the Corps of Engineers. The family lodging RAP resulted in only three potential developers. All three were interested in Chaney State Lake. All three of them were interested in the department in bringing in utilities, etc. One of the potential developers was a good fit and they are getting ready to sign a contract for six cabins at Chaney State Lake. They were disappointed to not receive more interest.

Discussed lease arrangements and the problems involved in short term leases especially in terms of receiving financing. Sherry Brown, Department of Housing & Commerce, advised they might want to come back and request some changes in the statutes. Senator Jordan has had contact with Department of Interior staff seeking information on resorts in the State of Kansas, but they have been frustrated by the lack of action from the State. Others expressed frustration with the slowness of this process and reiterated their wish that something be accomplished with the development process.

The general attitude of the Committee was disappointment with the lack of progress on the part of Commerce and the Department of Wild Life and Parks with this project. Incentives are already in place and they should be offered to developers. This legislation can be used on private land just the same as on Corps land. The question of Cedar Bluff Lake and the fencing of the access road was discussed. There seems to be some very unhappy people about this matter. The Legislature passed a law expressing the desire that this be done and so far legislative intent has not been accomplished. Members feel this is not really that difficult to accomplish. Suggestions were made as to how Commerce can proceed. The Legislature does not wish to wait another year for something to happen. With federal agencies being interested, something should be done. Questions raised regarding application of this law to development of private land. Senator Vidricksen will talk to the Kansas City Department of Interior Real Estate representative to see what he can find out and Senator Jordan will also be making some contacts. They've been talking about Lake Perry for four years and nothing has happened yet. Legislative Research will provide information as requested by the Chair.

The meeting adjourned at 10:00 a.m.

The next meeting will be March 9, 1999.

**SENATE TRANSPORTATION & TOURISM COMMITTEE
GUEST LIST**

DATE: March 4, 1999

NAME	REPRESENTING
CHAD LUCE	KDWP
Sherry Brown	Commerce & Housing
Ken Bahr	Economic Lifelines
Tom Whitaker	Ks Motor Carriers Assn
Alex Kobyanetz	J.C. Geary Co. Convention & Visitors Bureau
Dick Bauman	KDOT



STATE OF KANSAS
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MEMORANDUM

To: Senator Ben Vidricksen, Chair
Senate Transportation and Tourism Committee

From: Steve Williams, Secretary

Date: March 4, 1999

Subject: Status Report on Lake Resorts

Thank you for the opportunity to report on the status of the lake resort legislation passed last session.

HB 2899 which was passed by the 1998 Kansas Legislature, required the Department of Wildlife and Parks (KDWP) and the Department of Commerce and Housing (KDOCH) to report to the legislature the progress made on the development of lake resorts. I am providing this status report in compliance with that provision.

HB 2899 contained numerous provisions outlined below:

- ▶ KDWP, KDOCH, & Kansas Department of Transportation (KDOT) develop information for a lake resort development incentive plan
- ▶ notify adjacent communities of state's incentive plan
- ▶ negotiate with federal agencies (COE/BOR) for resort development
- ▶ KDWP & KDOCH develop request for developer proposals
- ▶ KDWP & KDOCH advertise RFPs publicly
- ▶ KDWP & KDOCH consider and negotiate proposals submitted
- ▶ select, negotiate, and contract for resort construction
- ▶ negotiate contract for resort development construction
- ▶ selection of site and revenue bonds (available from the Kansas Development Finance Authority) approved by Legislature or State Finance Council
- ▶ joint report to legislature concerning negotiations, site selection, and status report (1999)

KDWP has selected potential sites for resort development in appropriate state parks. We did not identify sites for Mushroom SP, Meade SP, or Scott SP due to their small size. These site maps were provided to KDOT for estimates of costs associated with access road construction. KDOT reported estimated costs for access road construction ranging from approximately \$340,000 to

\$1.8 million. The department has received a tentative approval of the concept from the Corps of Engineers and the Bureau of Reclamation, the federal agencies from which we lease our state park lands. Resort developers would have to work directly with these agencies for plan submission and approval. KDOCH is in the process of identifying an appropriate consultant for assistance in development of the RFP. None of the agencies named in the legislation has previous experience in this endeavor and we are looking for professional expertise to guide the process. KDOCH is also in the process of estimating costs associated with providing utility service to each of the sites.

Based on the outcome of discussions with the 1999 legislature, we will prepare a letter to communities adjacent to our state parks to notify those communities of the progress and plans for requesting proposals from resort developers. Our immediate future plans include RFP development and submission to resort developers. Developers will be asked to review the information provided from the state and from any interested community. KDWP and KDOCH will review proposals returned based on scope of the development proposed, financing requested, economic impact on the state and local level, and past development and management experience. We expect this process to proceed throughout 1999. In the absence of information from private developers and local communities, we cannot report further details.

The Department of Wildlife and Parks will continue to act as a liaison between the state and the appropriate federal agency. In addition, we will continue to work with Commerce and Housing in developing the RFP. The Department of Commerce and Housing will take the lead in contracting and supervising the consultant responsible for RFP development. Local communities will be responsible for contacting those interested developers identified by the state to present their planned incentive proposals.

If you have further questions, I will be happy to try and answer them. Thank you.