

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on January 26, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Steineger (Excused)
Senator Wagle (Excused)

Committee staff present: April Holman, Legislative Research Department
Robert Nugent, Revisor of Statues
Lea Gerard, Secretary

Conferees appearing before the committee: Jeff Boerger, Kansas Speedway
April Holman, Legislative Research Department

Others attending: Guest List unavailable.

Jeff Boerger, Vice President and General Manager, Kansas Speedway briefed the Committee on the development of the Kansas Speedway and its present status (Attachment 1). Kansas Speedway's Inaugural Event date is June 2, 2001. With several other major races in 2001, the raceway is expected to generate possibly \$170 million in revenue.

In response to a committee question regarding hotel and motel reservations, Jeff Boerger stated they partnered with the Kansas City Hotel/Motel Association as well as the Greater Kansas City Convention and Visitor's Bureau to create a system that the hotel and motels around Kansas City metro area would keep their normal rack rate and require a minimum of two nights.

April Holman, Legislative Research Department gave an overview of "*The Joint Committee on Economic Development to the 2001 Kansas Legislature*". (A copy is on file in the Legislative Research Department).

April Holman reviewed the proposal for Economic Development that was given to Mayor Joan Wagnon and interested parties from Shawnee County. It was intended that the committee not make any recommendatons on this particular topic.

Regarding EDIF, the Joint Committee recommended that EDIF money be used for economic development and not operating expense.

April Holman explained the Joint Committee has recommended Legislation, HB2005, that would restructure the TIF laws to make the flow better and less difficult to follow. They added the definition section which had not been in the TIF act before. The committee did not make any recommendations for policy changes but they did suggest future legislators look at the list contained of potential policy changes.

Meeting adjourned at 9:30 a.m.

Next meeting scheduled January 30, 2001 at 8:30 a.m.



State Senate Commerce Committee

Senator Karen Brownlee

Chairperson

January 26, 2001

Subsidiary of International Speedway Corporation

Senate Commerce Committee
January 26, 2001
Attachment 1-1

The Leader in Motorsports Entertainment

- In total, ISC promotes more than 100 motorsports events annually, including:
 - » 18 NASCAR Winston Cup Series events
 - » 16 NASCAR Busch Series events
 - » Six NASCAR Craftsman Truck Series events
 - » Seven Open Wheel (IRL/CART) events
 - » The premier events in sports car and motorcycle racing



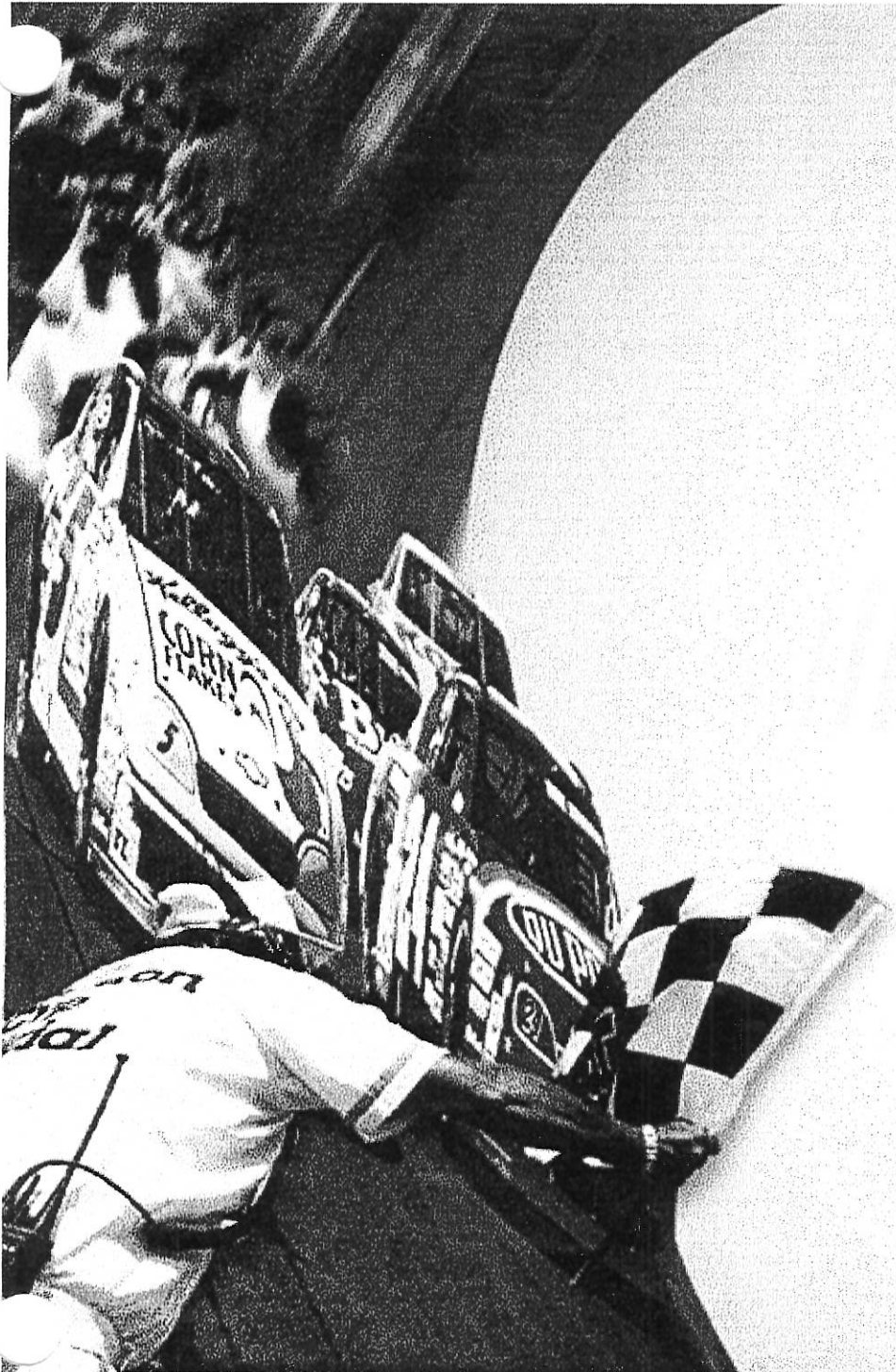
5-1

ISC Motorsports Venues



Facilities currently planned
or in development

1-3



NASCAR®

**America's Fastest-
Growing Sport**

1-4

The Role of NASCAR

ISC's family of premier venues plays host to a wide variety of motorsports events representative of virtually every sanctioning body in auto racing. However, ISC's core business focuses on events in the National Association for Stock Car Auto Racing (NASCAR)'s three premier series - the Winston Cup Series, Busch Series and Craftsman Truck Series.



This Is

NASCAR®

“Fan-friendly, family-oriented and sponsor conscious, major league stock car auto racing continues to draw attention as America’s fastest growing spectator sport.”

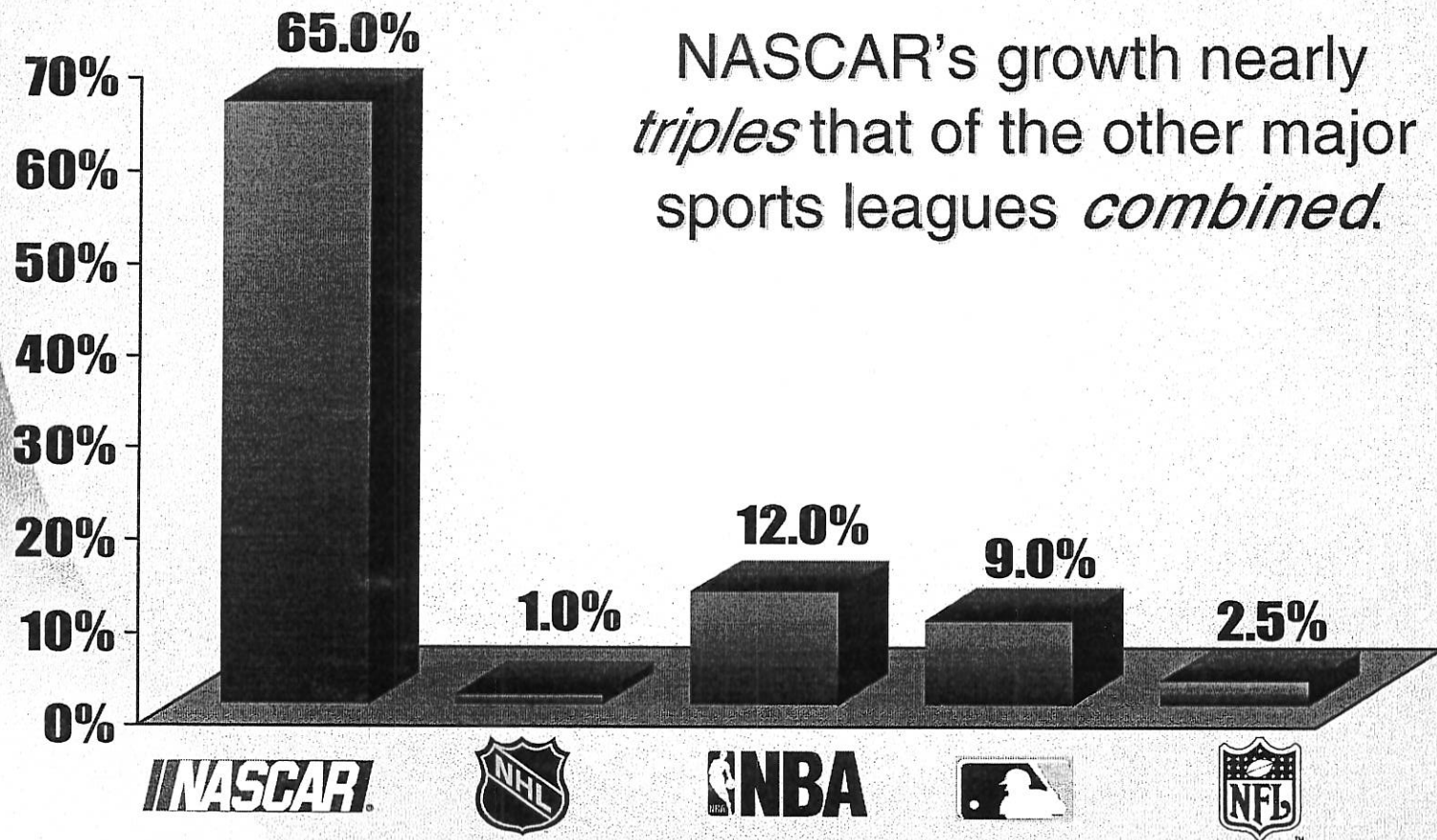


- Fort Worth Star Telegram



1-6

Attendance Growth 1990 - 1997



Source: Goodyear Attendance Reports, League Records

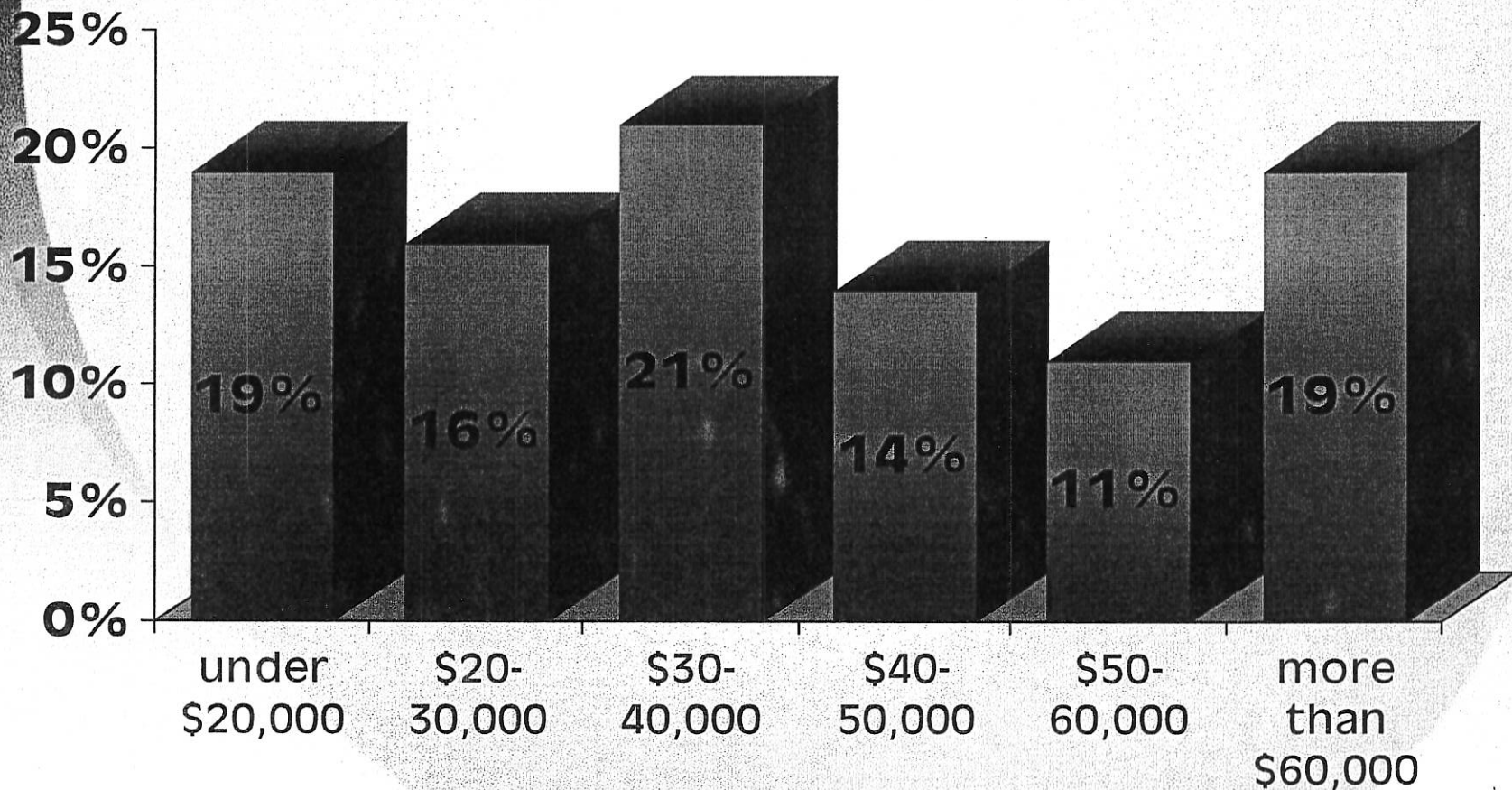
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Demographics

8-1

Average Household Income



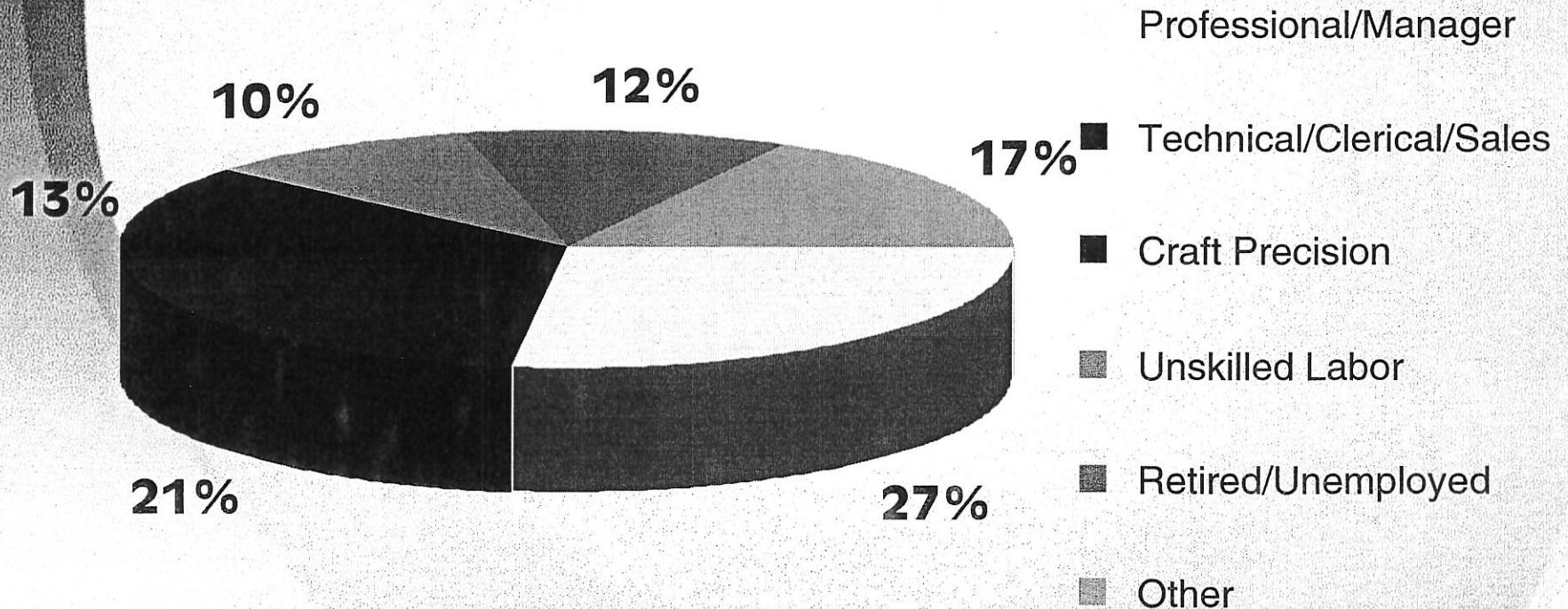
Source: Simmons Market Research Bureau and Performance Research



Demographics

1-0

Occupation

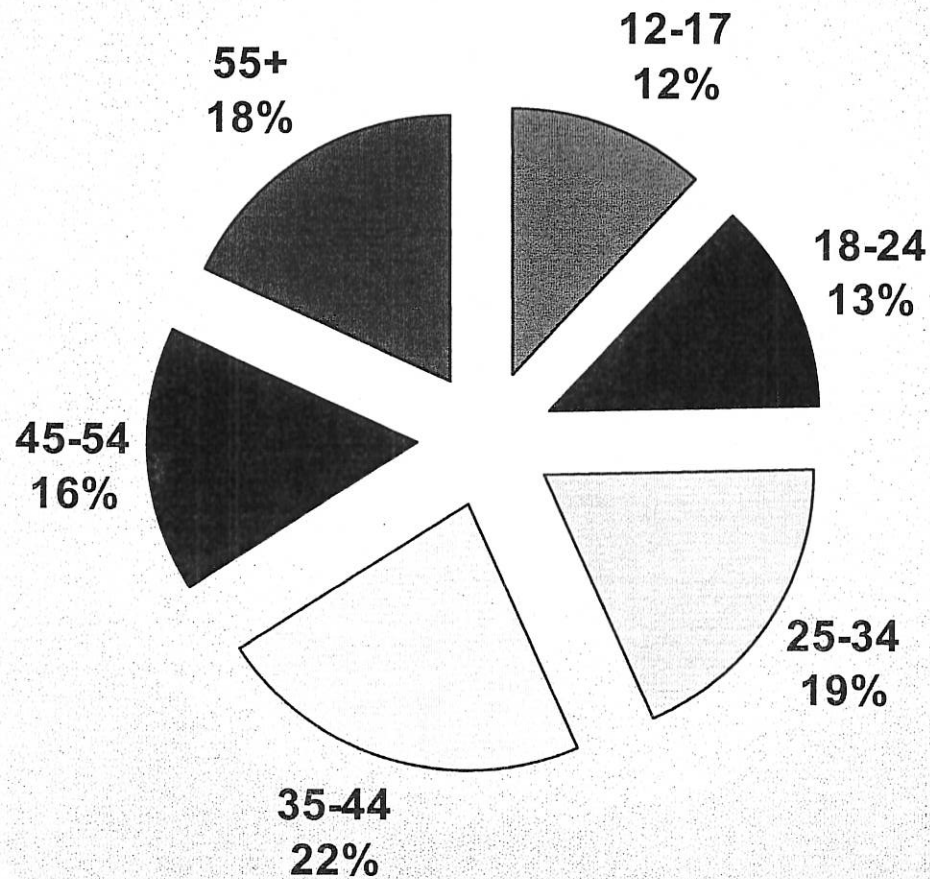




Demographics

01-1

Average Age



Source: 1999 ESPN Chilton Sports Poll

NASCAR Racers



- NASCAR Racers is the first-ever animated television series based on a professional sport.
- On average, NASCAR Racers reaches 35 million kids age 4-12 every Saturday morning.
- Kellogg's, the Official Cereal of NASCAR, will feature NASCAR Racers on 10 million boxes of Frosted Flakes.

11-1



Demographics

“No longer the exclusive province of blue-collar males in the Southeast . . . women now make up close to 40% of fans.”

- Business Week, November 1998



61-1

This Is

NASCAR[®]

- NASCAR is the second-highest rated sport on television after the NFL. And, unlike other professional sports, every major NASCAR event is broadcast nationally.
- In 2000, six major television networks will carry NASCAR programming, however, NASCAR will consolidate television rights in 2001 allowing FOX to broadcast the first 18 weeks of the season while NBC and TBS split the second half.
- Kansas Speedway's inaugural Winston Cup race will be broadcast on NBC.



1-13

Brand Loyalty in

NASCAR

- NASCAR delivers the most brand-loyal fans in sports...enthusiasts that show their pride by regularly supporting the sponsors of their favorite drivers and events.
- The NASCAR fan is well-aware that corporate sponsorship makes “the show” possible. And, unlike other sports, sponsorship and corporate involvement are expected and embraced by the audience.

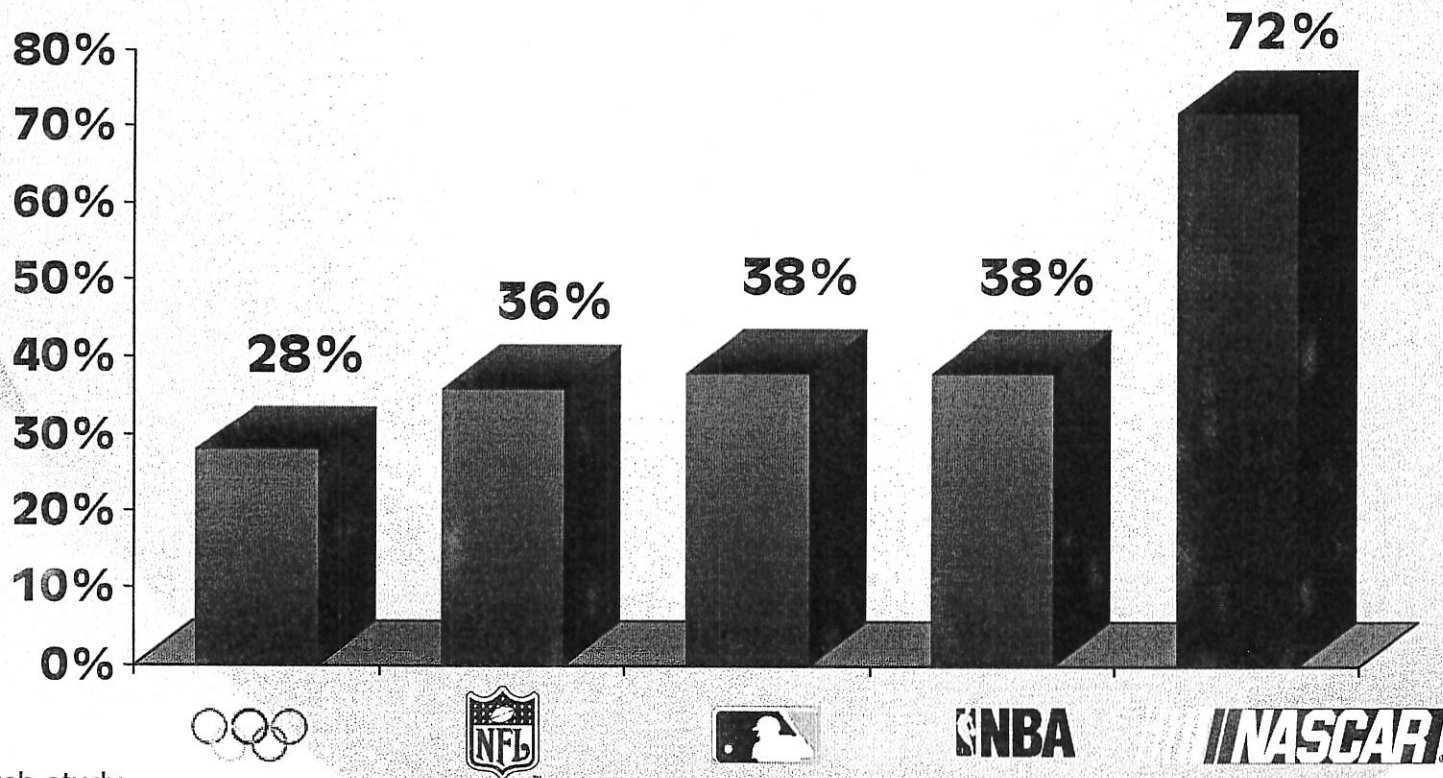
4/1/11

Brand Loyalty in

NASCAR

“Almost 3/4 of the NASCAR audience (72%) reported that they would “almost always” or “frequently” choose a product involved in NASCAR racing over one that is not, simply because of the sponsorship.”

- Performance Research, Inc.



Source: 1997
Performance Research study

51-1

91-1



Sanctioned Events



NASCAR Winston Cup Race
September 30, 2001



1-17

NASCAR
Winston Cup
Series

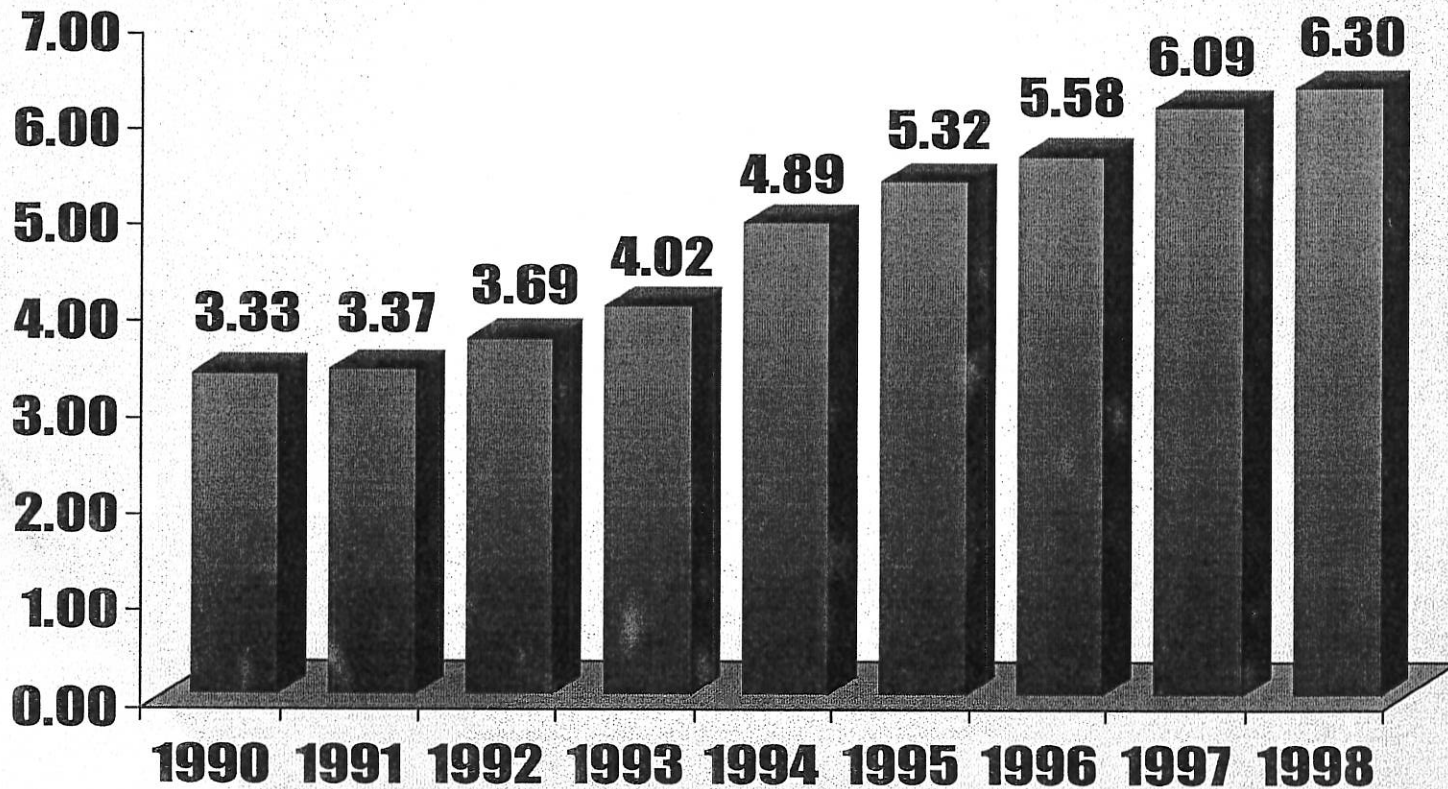
The Winston Cup Series is the “major league” of NASCAR. Attendance has doubled since 1990, and the demand for NASCAR Winston Cup event tickets clearly outpaces the supply of seats. Although new seats are continually being added to racing facilities across the country, most events are sold out well in advance of the event date.

Far outdistancing the NFL in per-event live attendance and quickly gaining ground in TV ratings, clearly the NASCAR Winston Cup Series has arrived. NASCAR is fast becoming America’s sport.

81-1

NASCAR **Winston Cup** **Series**

Attendance Growth (in millions)



Source: Goodyear Attendance Reports

1-19

05-1



NASCAR Busch Series Race September 29, 2001





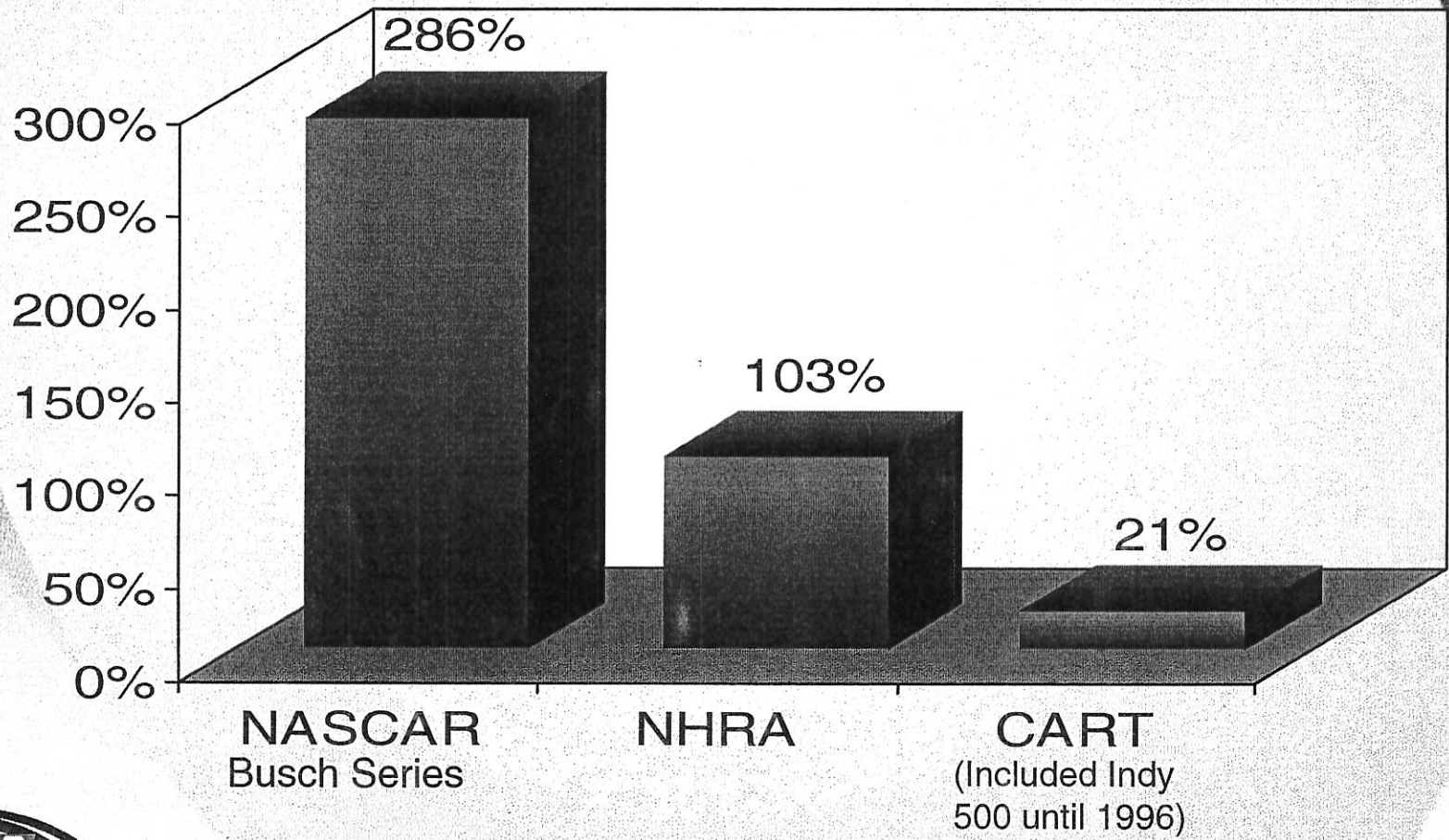
The NASCAR Busch Series is the home of NASCAR's rising stars. This division is the second most-popular U.S. motorsports series in TV viewership and the number one series in attendance growth over the last 10 years.

In 1995, NASCAR Busch Series events only ran east of the Mississippi River. As of 1999, five states in the western half of the country have been added to the schedule: Colorado, Texas, Arizona, Nevada and California.

12-1

1-252

Attendance Growth Over The Past 10 Years



Source: Goodyear Attendance Reports



EST-1

Indy Racing Northern Light Series
&
Dayton Indy Lights Championship Series

July 8, 2001





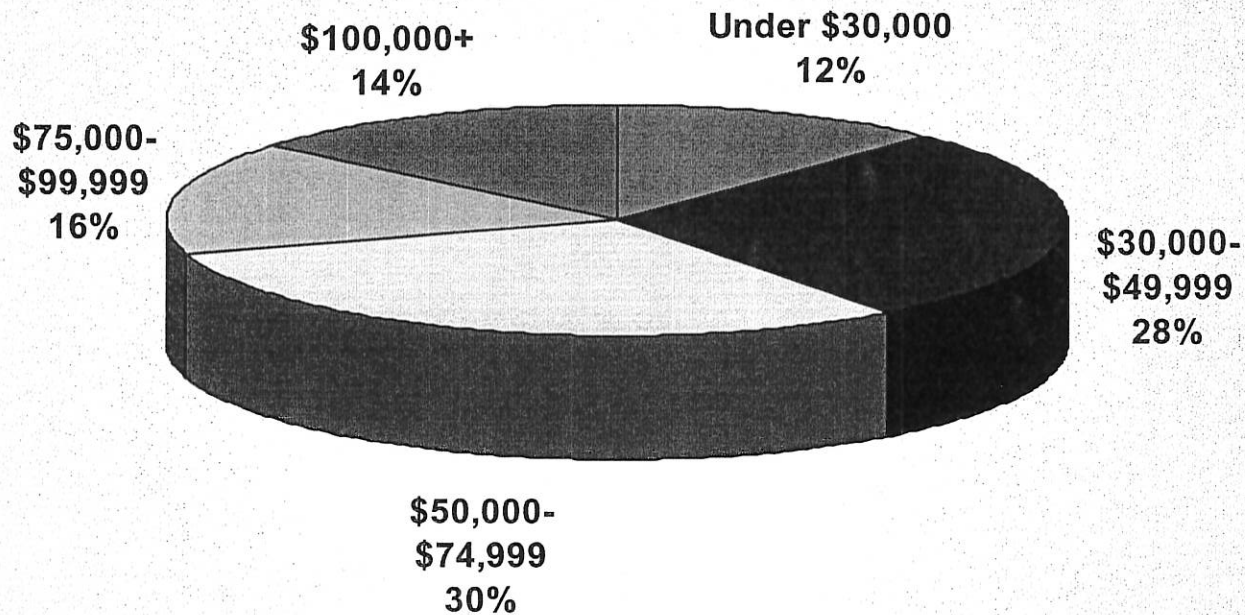
Founded in 1996 by Tony George, president of the Indianapolis Motor Speedway, the Indy Racing League is anchored by its premier event, the Indianapolis 500, the largest spectator sport in the world.

Entering its fifth year of competition, the IRL races at world-class facilities such as Walt Disney World Speedway, Phoenix International Raceway, Texas Motor Speedway and Las Vegas Motor Speedway.

HC-1



Demographics



- ◆ IRL fans enjoy an average household income of \$62,500 which is 69% higher than the U.S. average.
- ◆ Six in ten fans have incomes greater than \$50,000.
- ◆ 80% of Indy Racing fans are homeowners.
- ◆ Four in ten fans are occupied in professional or managerial positions.

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1-26

NASCAR Craftsman Truck Series Event

July 7, 2001



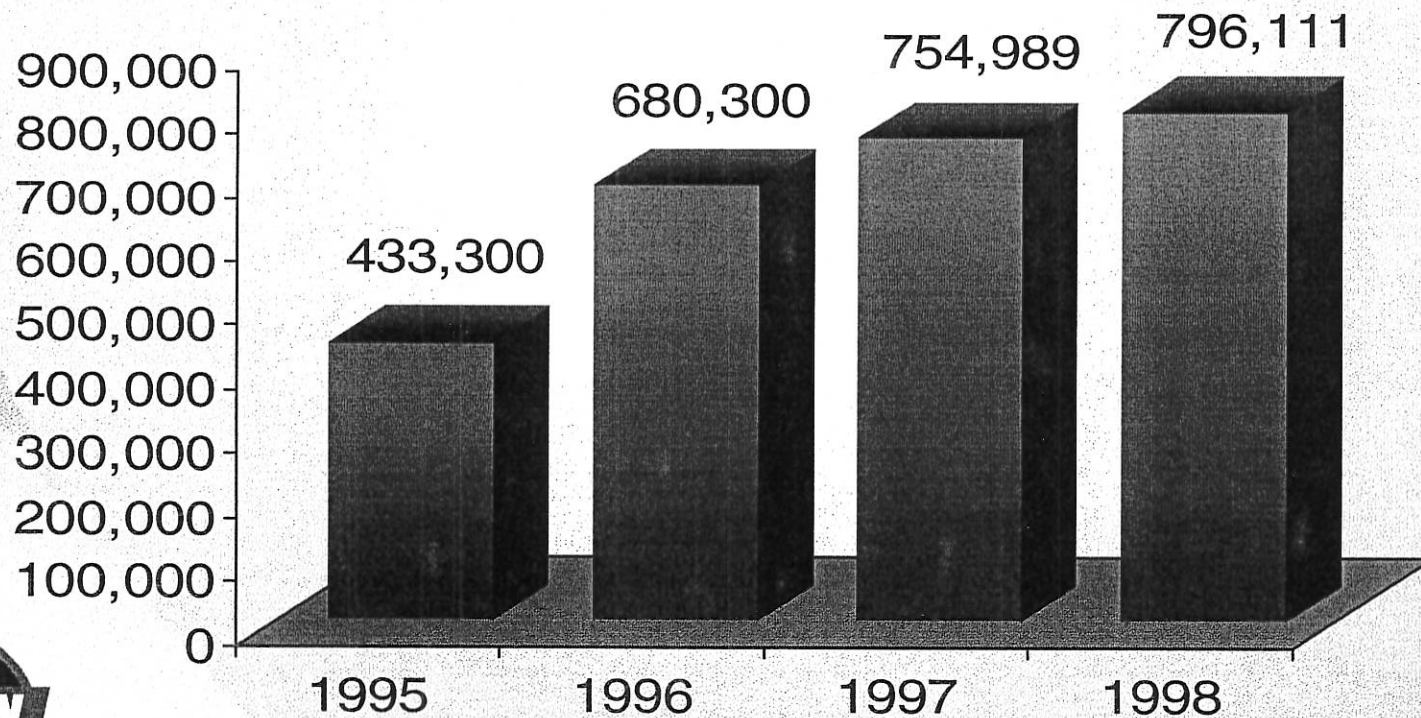


Entering its sixth year of competition, the NASCAR Craftsman Truck Series is the most successful new series in motorsports. In just five years, the series has grown into a multi-million dollar, coast-to-coast tour.

1-2-1

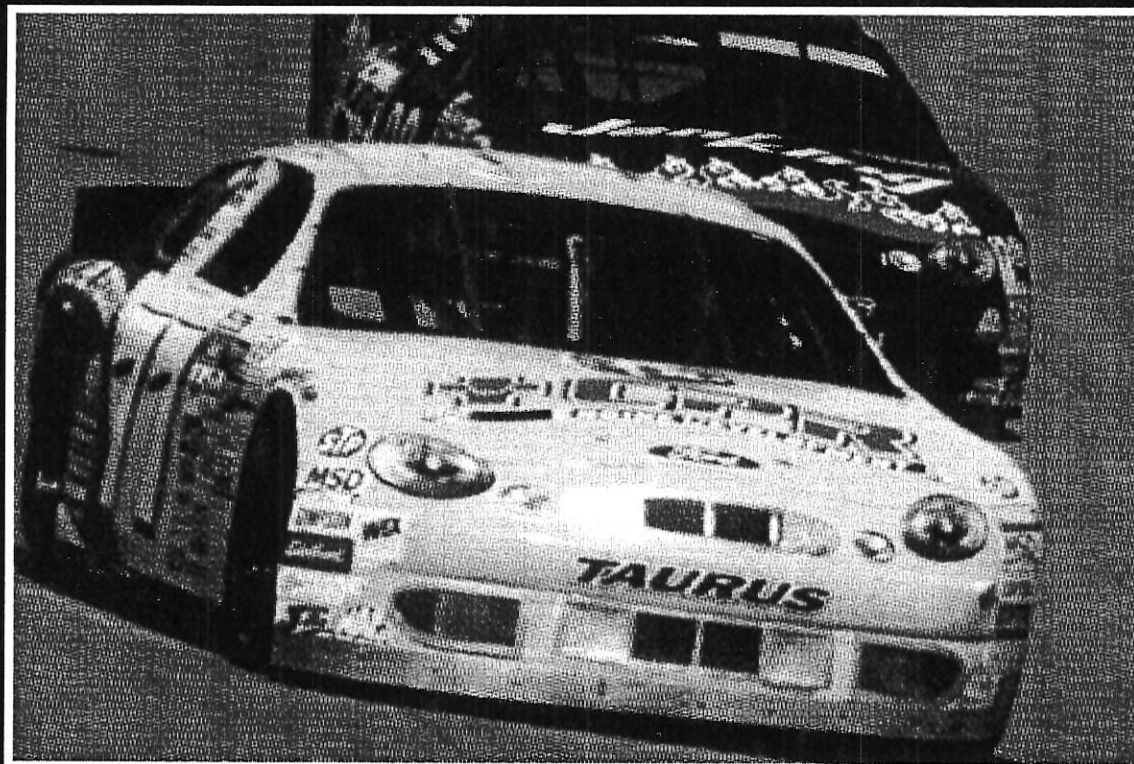
Attendance Growth

Like other major NASCAR series, attendance at Craftsman Truck events continues to grow, and each year, the competition at these events grows more intense. In fact, Jack Sprague captured the the 1999 Championship with a narrow 8 point lead.



Source: Goodyear Attendance Reports

1-28



**ARCA RE/MAX Series &
NASCAR Winton West Series Event
June 2, 2001**

1-29

ARCA 
RE/MAX[®]
SERIES

The ARCA RE/MAX Series is the second longest running national championship motorsports series in America, ranking only behind NASCAR Winston Cup Series. Races are run on paved short tracks, miles dirt tracks and at Daytona International Speedway, Talladega Superspeedway and Michigan Speedway.

1-30



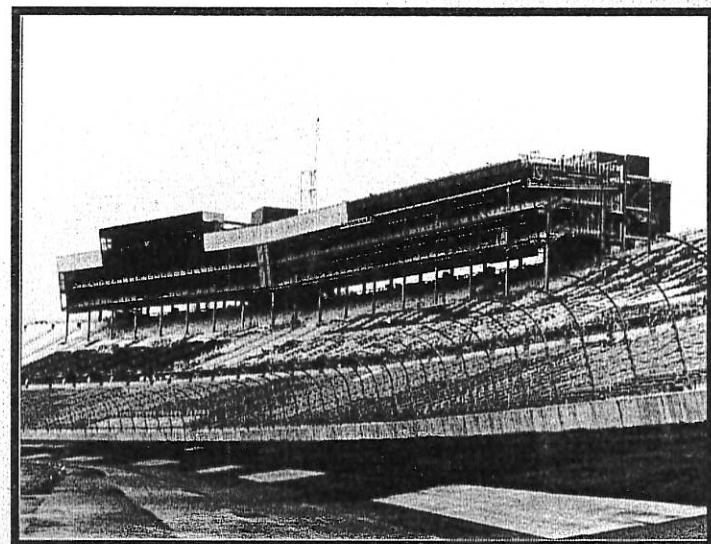
KANSAS
SPEEDWAY™

Subsidiary of International Speedway Corporation

1-21

America's Fastest-Growing Sport Comes to Kansas

A state-of-the-art motorsports mecca is currently under construction in America's heartland. Engines are expected to roar by 2001, and motorsports fans throughout the Midwest anxiously await the first event to be held at Kansas Speedway.

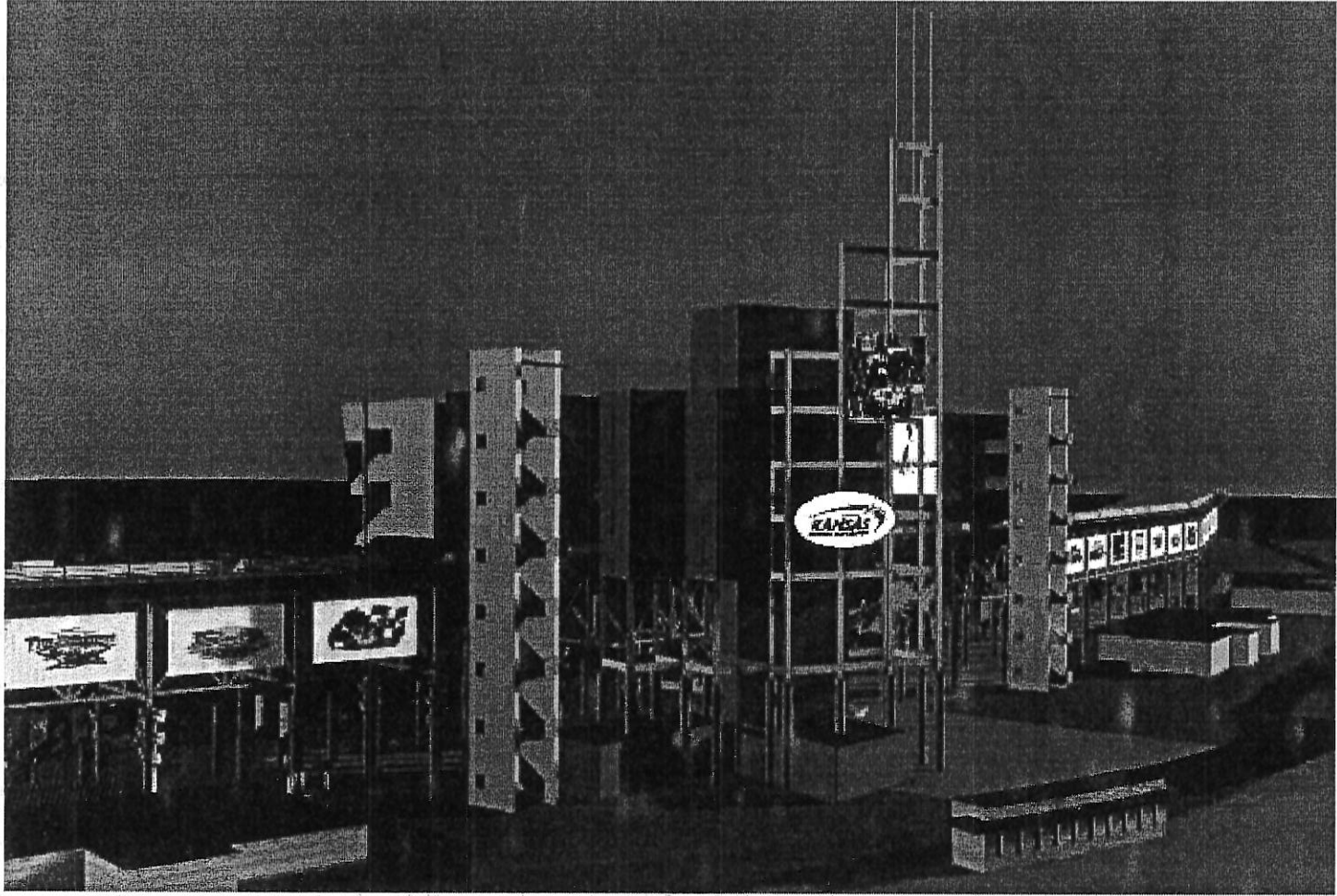


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Kansas Speedway

- Approximately \$250 million in private and public funding
- 1-1/2 mile tri-oval design suitable for multiple types of motorsports
- Initially designed to seat 75,000 with expansion to 150,000 or more

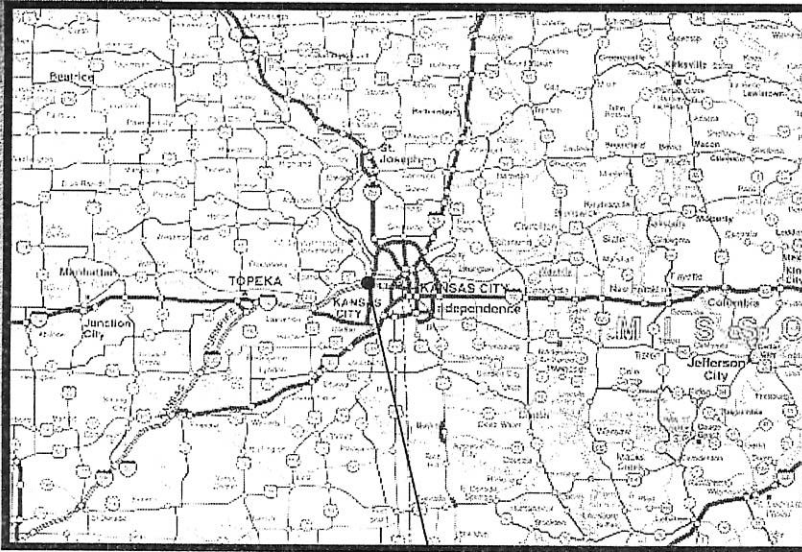
1-33



48-1

Kansas Speedway

Access to the speedway will be unparalleled in the racing industry. The facility is adjacent to two interstate highways and an excellent State and Local roadway network. Additionally, the roadway infrastructure being constructed to move traffic in, out and around the facility includes over 55 -lane miles of roadway.

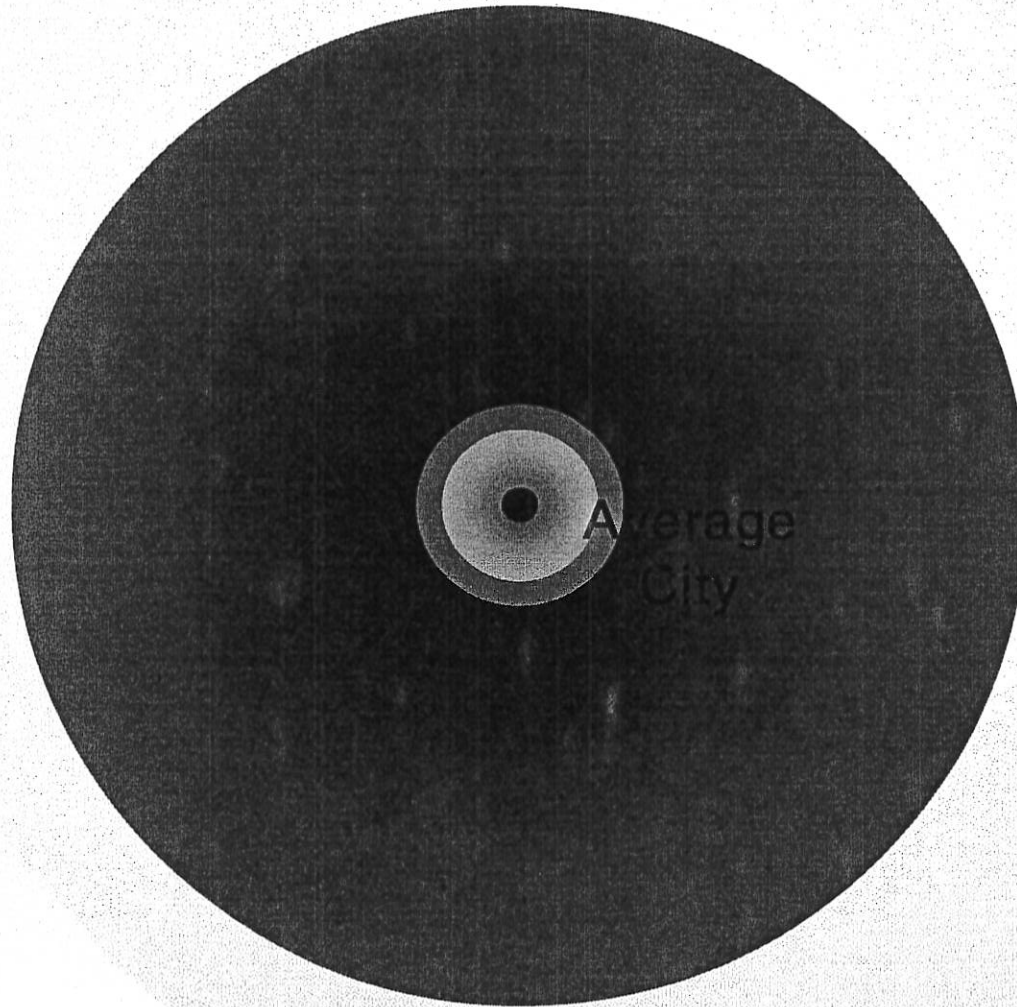


Intersection of Interstate 70
and Interstate 435

58-1
1-355

Average Travel Distance

Sporting Events



 **NBA**

45 minutes



1 hour



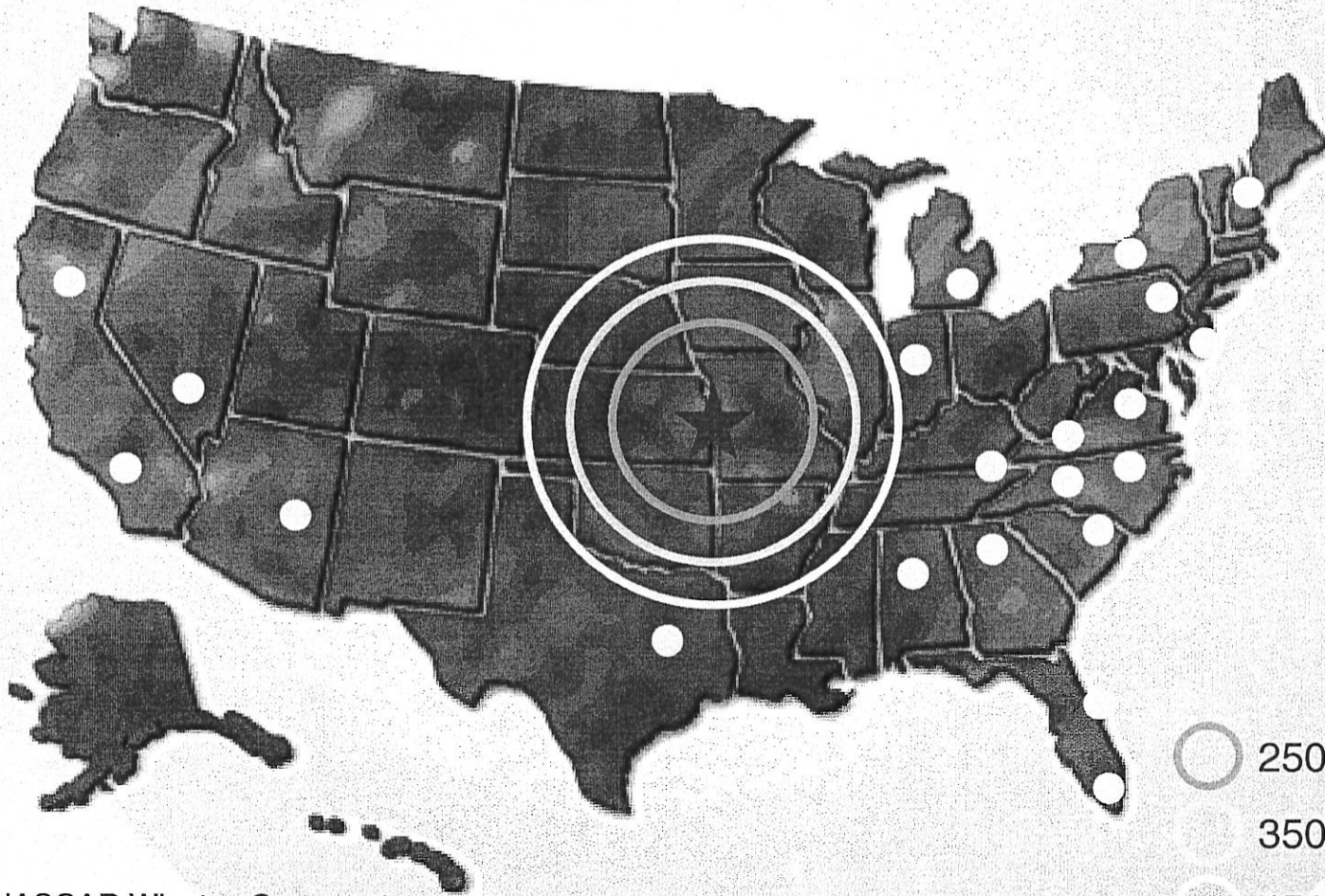
1.5 - 2 hours

NASCAR
Winston Cup
Series

4 - 6 hours

1-36

Market Reach of the New Speedway in Kansas

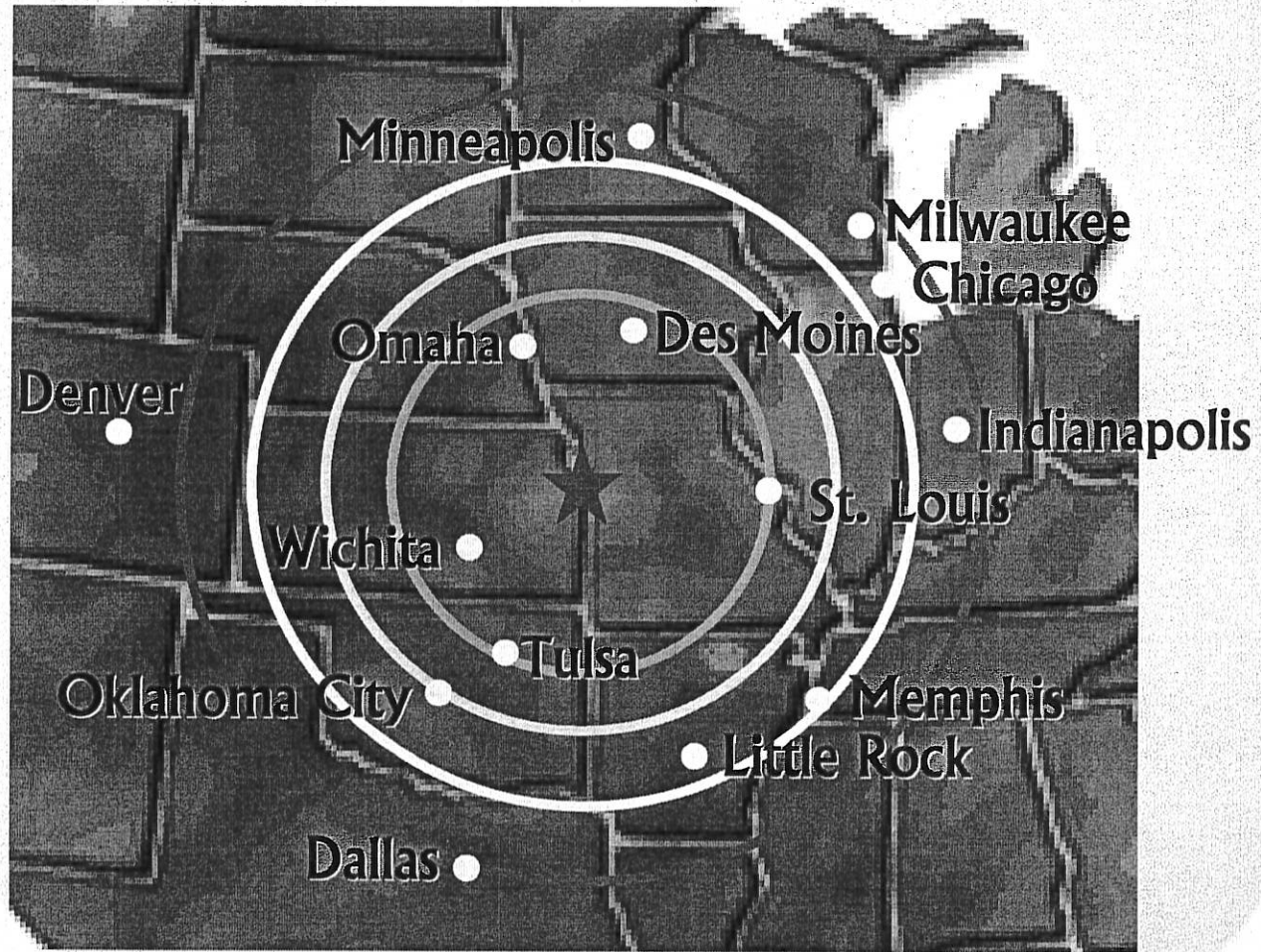


○ Venues hosting NASCAR Winston Cup events

○ 250 miles
○ 350 miles
○ 450 miles

1-30

Major Cities Within Trading Area



- ★ Kansas City
- 250 miles
- 350 miles
- 450 miles
- 550 miles

1-38

Market Reach

- Located in the heart of the nation, the new Speedway in Kansas is ideally positioned to reach the entire Midwestern United States.
- The speedway is less than a 6-hour drive for fans in Missouri, Arkansas, Oklahoma, Illinois, Iowa, Nebraska, Wisconsin, Minnesota, South Dakota and, of course, Kansas, offering a trading area of approximately 41.2 million.



1-39

Return on Investment

- An estimated 2000 construction jobs will be created through the development of the speedway project.
- Over \$50 million in payroll is expected to be generated through these construction jobs.
- The speedway will employ between 40 and 60 full time employees and nearly 3000 event day staff members.
- More than 250 jobs have already been created to date.
- An anticipated 170 million in tourism dollars is expected to be generated annually once the track is operating.



1-40

Track Facts

Banking:

15 degrees in the turns

10.4 degrees in the front stretch

5 degrees in the back stretch

The track pavement width will be 55 feet.

The facility will have fan friendly access to the 65 rows of seating, with a unique ground level concourse that allows spectators to walk down 30 rows (on grade) or up 35 rows (on structure).

The facility will accommodate over 65,000 vehicles in the various parking areas.



15-1

Track Facts

11 million cubic yards of dirt have been moved to construct the speedway. This is equal to 1 million dump truck loads or enough earth to fill an NFL stadium five times.

To equal the amount of storm sewer pipe utilized in the project, the Sears Tower in Chicago would have to be laid end-to-end 45 times (or approximately 22,000 linear feet).

The storm water management system reaches 132 inches in diameter or more than 13 feet.

This state-of-the-art motorsports facility will be the largest tourist attraction in the State of Kansas.

Anticipated qualifying speed for Winston Cup Cars:
175-185 mph



GH-1

2000 Ford Taurus

Official Replica Pace Car of Kansas Speedway



1-43



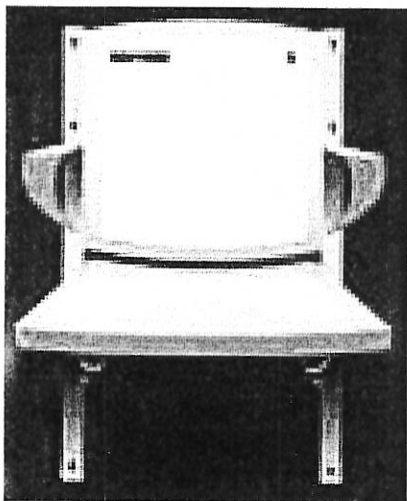
Current Seat Offering

Subsidiary of International Speedway Corporation

1-44

Founding Fan P.A.S.S.

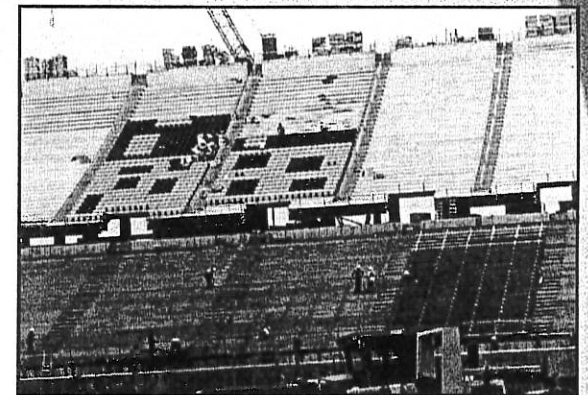
JUST LIKE
////// *NASCAR*
THESE SEATS
ARE GOING
FAST



Preferred Access Speedway Seating

FEATURES & BENEFITS

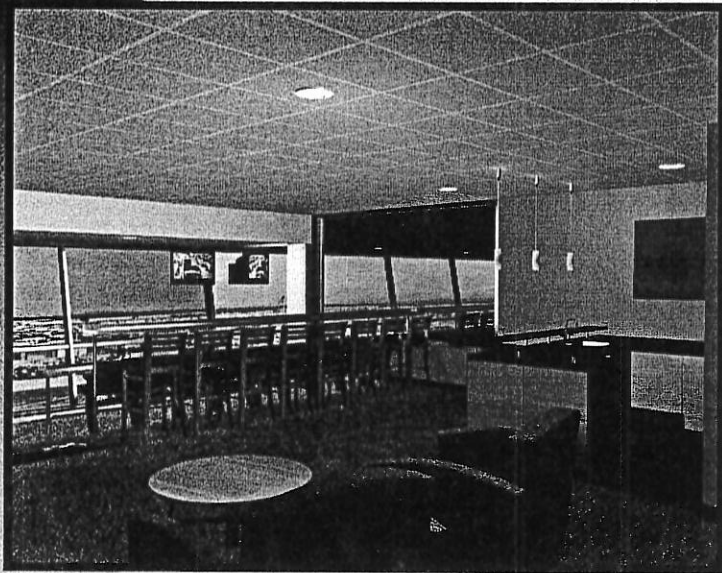
- ◆ Priority Seating
- ◆ Transferable, restricted right to resell
- ◆ Access to preferred parking
- ◆ Yearly renewal guarantee
- ◆ Individual or Company Name on your seat
- ◆ In-seat service (club section only)



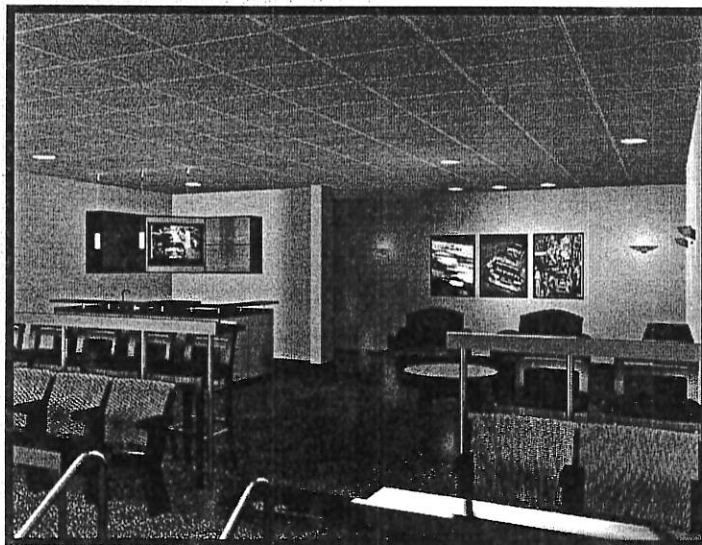
54-1

Luxury Suites

1-4-1



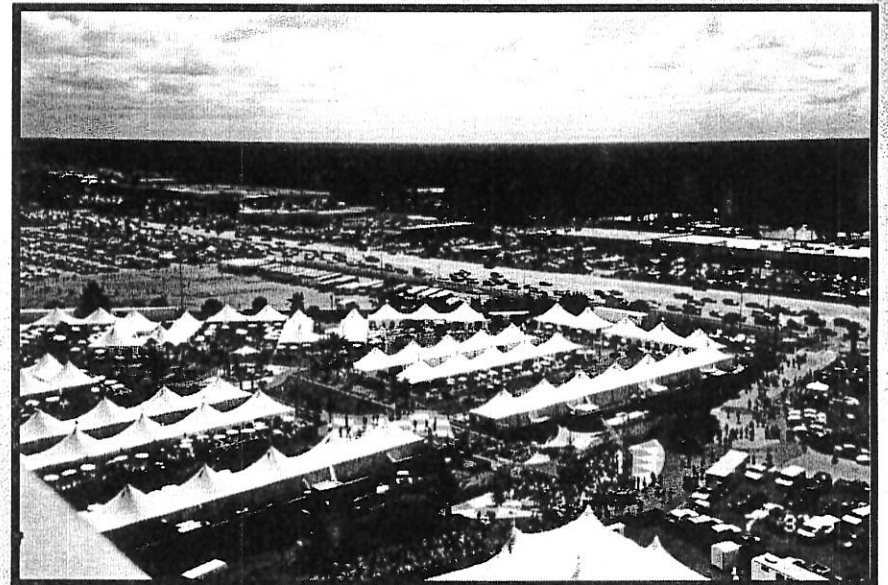
- ◆ Event admissions
- ◆ Elevator Access
- ◆ Full-service wet bar
- ◆ Reserved parking spaces
- ◆ Souvenir event programs
- ◆ Attentive hospitality staff



- ◆ Air-conditioning
- ◆ Private interior restrooms
- ◆ Closed-circuit television
- ◆ Private telephone
- ◆ Name recognition on suite
- ◆ Full service gourmet catering
(available at additional cost)

The Hospitality Village

- Perched on a bluff overlooking Turn 1 and 2, the Hospitality Village will surely be a hub for corporate entertainment on race day.
- Each chalet is elegantly designed to host 100 guests with catering services available upon request. Guests will be able to enjoy the race from the privacy of the hospitality village as well as premium grandstand seating.

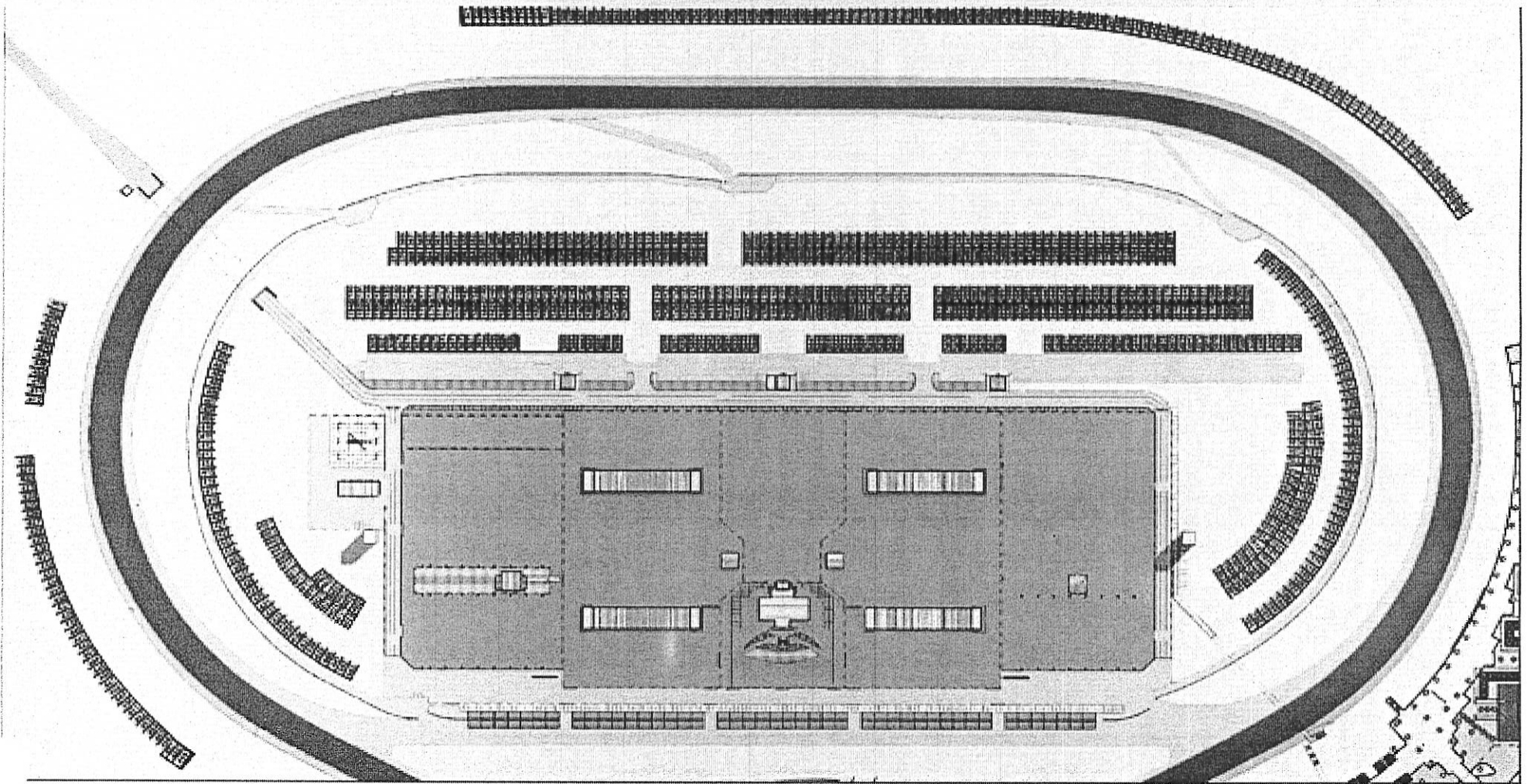


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Reserved Motor Home Parking

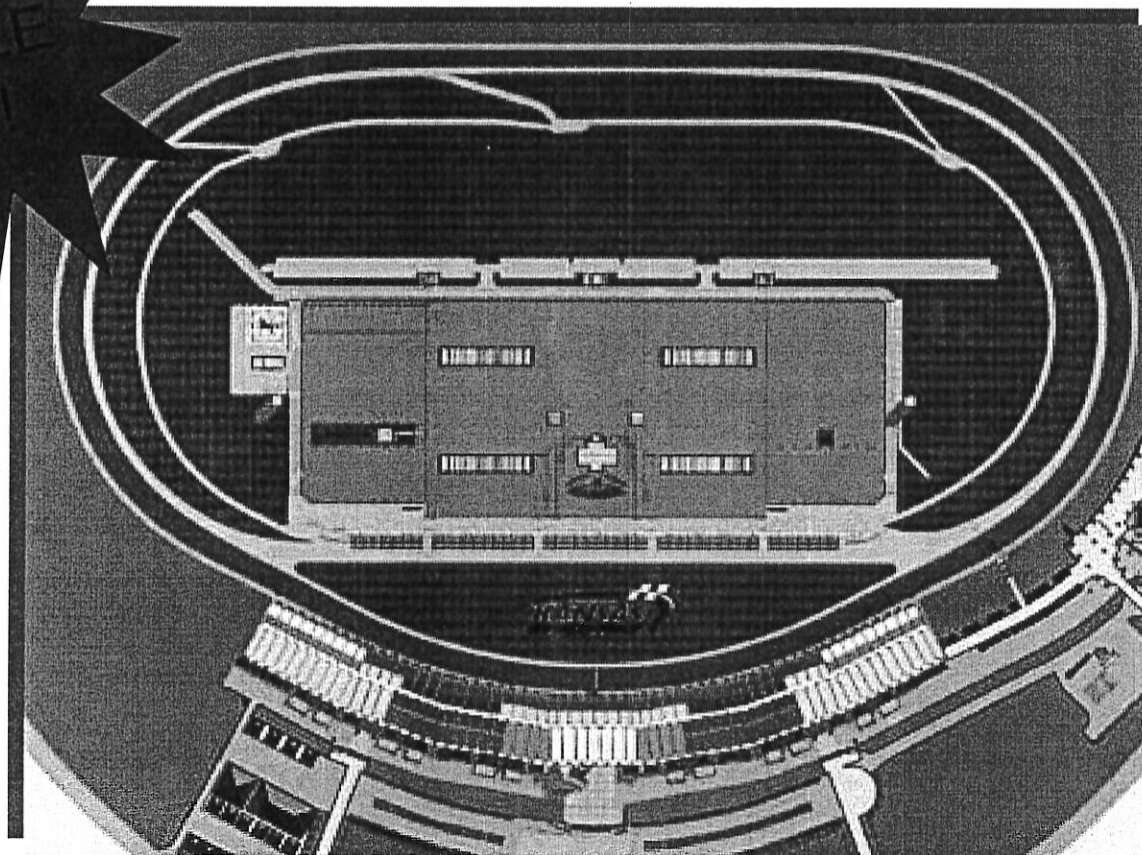
- Motor Home Terrace
- Fleetwood Reserved Infield Motor Home Parking - Trackside
- Fleetwood Reserved Infield Motor Home Parking – Non-Trackside

1-48



The Ticket Plan

1-49



NASCAR Craftsman Truck Series	July 7, 2000
Dayton Indy Lights Championship Series	July 8, 2000
Indy Racing Northern Light Series	July 8, 2000
NASCAR Busch Series	Sept. 29, 2000
NASCAR Winston Cup Series	Sept. 30, 2000

ARCA 
RE/MAX[®]
SERIES

Kansas Speedway's Inaugural Event
June 2, 2001

Lower Grandstand G.A. Seating	\$20
Upper Grandstand G.A. Seating	\$25
Qualifying Day	\$10

1-50

15-1



KANSAS SPEEDWAY



Subsidiary of International Speedway Corporation