

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Carol E. Beggs at 3:36 p.m. on January 23, 2002 in Room 521-S of the Capitol.

All members were present except: Clay Aurand - Excused

Committee staff present: Hank Avila, Research Department  
Russell Miller, Research Department  
Bob Nugent, Revisor of Statutes  
Carol Jean Doel, Committee Secretary

Conferees appearing before the committee: Bill Sneed representing Kansas Speedways  
Jeff Boerger from Kansas Speedways

Others attending: See attached list

Chairman Beggs advised the committee that **HB 2348**, **HB 2387**, **HB 2395**, **HB 2328**, and **HB 2614** from last year should be reviewed for consideration of action this year and he also announced that the Tourism committee had been tentatively selected to work **HB 2183** regarding electronic gaming.

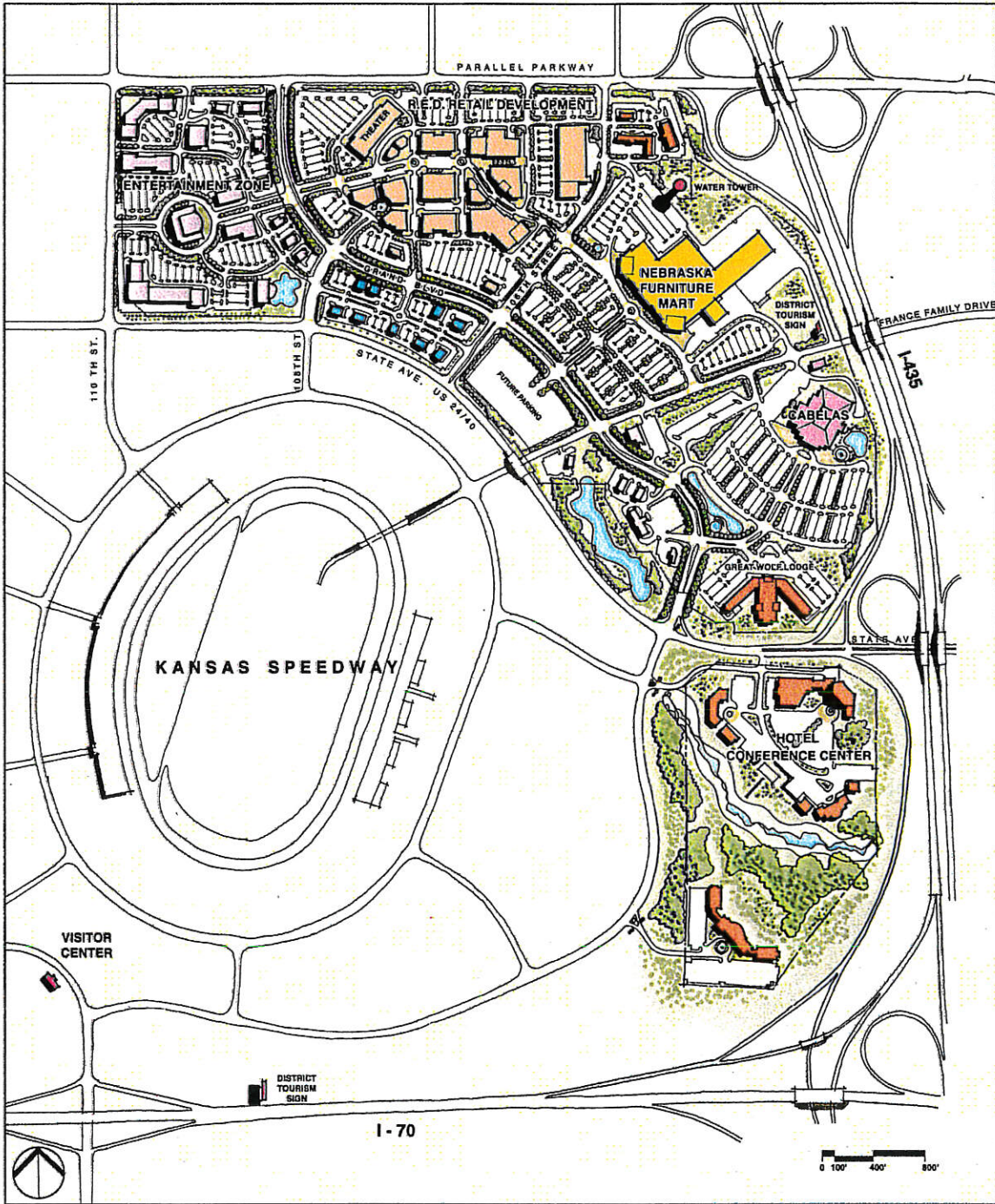
Rep. Clay Aurand was welcomed to the committee replacing Rep. Larry Campbell.

Mr. Bill Sneed, representing the Kansas Speedways, addressed the committee and presented information regarding projected tourism development in Wyandotte County. (Attachment 1)

Next to appear before the committee was Jeff Boerger from Kansas Speedways. Mr. Boerger presented slides as well as a written report regarding the economic impact which the Kansas Speedway has on Kansas. (Attachment 2)

With no further testimony or business to come before the committee, Chairman Beggs announced the next meeting would be Monday, January 28<sup>th</sup> and adjourned the meeting at 4:08 p.m.





# KANSAS TOURISM DISTRICT

Kansas City, Kansas



House Tourism Committee

Meeting Date 1-23-02

Attachment 1



October 18, 2001

**FOR IMMEDIATE RELEASE**

**For more information, contact:**

Erin Payne  
Stephan & Brady  
608-241-4141

or

Eric Lund, Sr. Vice President Sales & Marketing  
The Great Lakes Companies, Inc.  
608-251-6400

**THE GREAT LAKES COMPANIES UNVEILS PLANS  
FOR YEAR-ROUND FAMILY GETAWAY IN KANSAS CITY**

*First-class, full-service resort will increase tourism, attract new business,  
and create jobs in community*

**Kansas City, KS** – The Great Lakes Companies, Inc., a Madison, Wisconsin, based hotel and resort development company, announces plans to build Kansas City's premiere year-round family resort, Great Wolf Lodge. More than a seasonal stopover, Great Wolf Lodge packages an entire family vacation into the resort. They boldly seek to redefine the yearly tourism traffic patterns that close other attractions for the winter months. Their advantage: one of the world's largest and Kansas City's only indoor waterpark.

This first class resort will compliment and enhance the economic initiatives the people in the greater Kansas City area have undertaken. Great Wolf Lodge will create 250 new jobs for the community. "Great Wolf Lodge will contribute meaningfully to the entertainment mix of Kansas City, as well as to its economic base," explains Senior Vice President of Sales and Marketing Eric Lund. "We plan to break ground on the \$25 million development in the spring of 2002, with a projected opening of March 2003," adds Lund.

The Northwoods-theme resort will include 271 all-suite guest rooms featuring several suite configurations to accommodate any combination of guests, from couples to large families. Great Wolf Lodge will also feature two restaurants, a 6,000 square-foot arcade, gift shop, fitness center and 6,000 square feet of meeting space.

**-MORE-**



*Kansas City Great Wolf Lodge Press Release*

*Page 2*

The indoor waterpark features include 33,000 square feet of waterslides, pools and a \$1 million Treehouse Fort. Stressing safety within the facilities, as well as fun, the resort's waterpark safety will be overseen by nationally certified lifeguards.

Great Wolf Lodge in Kansas City is a member of the Great Lakes family of hotels and resorts developed and marketed by Great Lakes Companies, Inc., a company dedicated to the highest quality hotel and resort development and management. Great Lakes Companies owns and operates 14 hotels and resorts in Illinois, Massachusetts, Ohio, Rhode Island, Virginia, West Virginia and Wisconsin. Great Wolf Lodge in Wisconsin Dells, Wisconsin, and Great Bear Lodge in Sandusky, Ohio, are the first of the Great Lodge family of resorts that Great Lakes is developing in select markets throughout the country.

###



# Kansas City Great Wolf Lodge™

## Fact Sheet

- Theme** Great Wolf Lodge is a complete destination resort designed to capture the atmosphere and adventure of the north woods. Serving as Kansas' Year-Round Family Resort™, Great Wolf Lodge provides a comprehensive package of destination amenities, including 271 family-sized suites, a 33,000 square-foot indoor waterpark, a spacious pool, two 150-seat casual-theme family restaurants, a gift shop and two large arcades. With one of the world's largest and Kansas' only indoor waterpark, the Great Wolf Lodge breaks seasonal tourist traffic patterns by providing water-based entertainment throughout the year, opening the entire calendar to visitors looking for a wet getaway.
- Projected Opening** March 15, 2003
- Scale**
- ✦ \$25 million development
  - ✦ 16.75 acre site
  - ✦ 274,083 square footage of construction
- Features**
- ✦ 4-story log-sided resort
  - ✦ 271 all-suite guest rooms
  - ✦ 33,000 square-foot indoor waterpark
  - ✦ 150-seat lumberjack-theme family-style restaurant and 150-seat fishing lodge-theme grill/bar
  - ✦ 6,000 square feet of meeting space
  - ✦ 6,000 square foot arcade and ticket redemption game room
  - ✦ 1,200 square-foot gift shop
  - ✦ Fitness center
- Indoor Waterpark Features**
- ✦ Kansas' first and only indoor waterpark
  - ✦ 33,000 square feet, one of the world's largest indoor waterparks
  - ✦ Seven waterslides
    - One 343-foot tube slide
    - One 283-foot tube slide
    - Two body slides
    - Three kiddie slides
  - ✦ Five pools
    - 3,973 linear foot lazy river
    - 2,069 square-foot recreation pool
    - 1,269 square-foot zero-depth leisure pool
    - 391 square-foot adult leisure pool
    - 514 square-foot family whirlpool
  - ✦ \$1 million Treehouse Water Fort
    - 5-story interactive fun center featuring 12 different levels of water-based adventure interconnected with suspension bridges, cargo nets and web crawls
    - Over 50 guest-activated water effects
    - 50-foot tall tipping water tower bucket dumps 1,000 gallons of water on structure at regular intervals
  - ✦ 200,000 gallons of water heated to 83°F
  - ✦ Pool water recirculates once every hour to ensure maximum hygiene
  - ✦ Whirlpool water recirculates once every 15 minutes
  - ✦ Admission to water park and use of one- and two-person inner tubes is free to Great Wolf Lodge guests

**Developer** Great Wolf Lodge is being developed by Great Lakes Companies, Inc., a company dedicated to the highest quality of hotel and resort development and management. Great Lakes is located at 122 West Washington Ave., 10<sup>th</sup> Floor, Madison, Wisconsin 53703.  
Phone: 608-251-6400; Fax: 608-251-6800.

**National  
Great Lodge  
Family** Great Wolf Lodge is based upon the highly successful Great Wolf Lodge in Wisconsin Dells, Wisconsin, and the equally popular Great Bear Lodge in Sandusky, Ohio. These three projects are the first of the Great Lodge family of resorts that Great Lakes is developing in select markets throughout the country.

**Media  
Contact** Erin Payne  
Stephan & Brady Public Relations  
1850 Hoffman Street  
Madison, Wisconsin 53704  
Fax: 608-241-4246  
Phone: 608-241-4141  
E-mail: [epayne@stephanbrady.com](mailto:epayne@stephanbrady.com)

# Tourism District To Ignite Kansas

Kansas City, Kansas, has a new trick up its sleeve: it wants to be the Orlando of the Midwest.

*Randall Shearin*

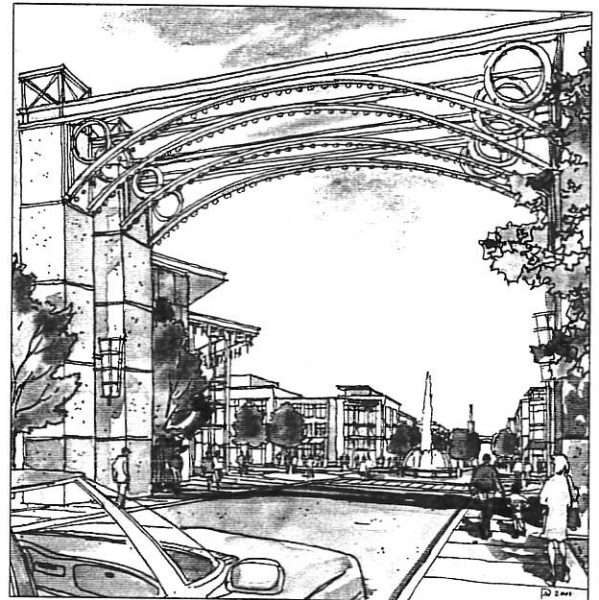
When the Unified Government of Kansas City, Kansas, and Wyandotte County, Kansas, decided to create a tourist destination in their area, it went about it in a big way. Most cities decide to recreate a few blocks into retail and entertainment. The Unified Government decided to redevelop 400 acres into a tourism district that would make most cities green with envy. What the Unified Government hopes will happen is that tourists from its part of the Midwest, including Kansas, Missouri, Nebraska, Iowa, Colorado and Oklahoma, will make Kansas City, Kansas, their weekend destination. It's laying the groundwork for becoming the Orlando — or even the Las Vegas — of the Midwest.

*Shopping Center Business* met with Kansas City, Kansas, Mayor/CEO Carol Marinovich; Bill Crandall, vice president of Zimmer Management Co., the project's master developer; and Den-

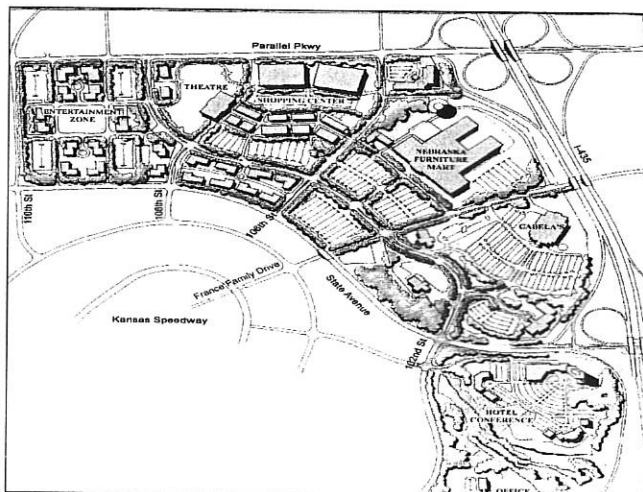
nis Hays, Wyandotte County Administrator.

The Unified Government announced plans to create the Tourism District, a master-planned development at the northwest corner of Interstates 70 and 435, in March, and *Shopping Center Business* was there shortly afterwards. This is one of the few examples in recent years in the U.S. where a city government has backed the creation of such a large project wholly devoted to tourism.

Key to the district's success was the Unified Government's ability to attract NASCAR to an adjacent site several years ago. The Kansas Speedway, a 1.5-mile tri-oval superspeedway that will host three NASCAR race weekends per year, is near completion. The latest speedway to join the growing NASCAR sport will begin hosting races as soon as this summer. While the speedway is estimated to draw more than 150,000 people per event, it will not be the only thing that draws people to the Tourism District, which will be located just a few hundred feet away.



A rendering of the Tourism District.







(left) Kansas City, Kansas Mayor/CEO Carol Marinovich; and Bill Crandall (right), vice president of Zimmer Management Co.

tailer, has announced plans to develop a 166,000-square-foot store at the Tourism District to showcase thousands of products from its catalog of hunting, fishing and outdoor goods.

Some estimate that Nebraska Furniture Mart and Cabela's could draw customers from as far away as 250 miles. Both of the retailers are expected to bring 5 to 7 million people annually to the Tourism District.

"We went after retailers like Cabela's and Nebraska Furniture Mart because they will be a draw not just from the metropolitan community, but also from the surrounding community and states," says Mayor Marinovich.

Two other developer/retailers will create space at the project: Applebee's Restaurants has committed to build a 5,000-square-foot restaurant and Warren Theatres has agreed to build a 12-screen cinema.

RED Development [see related story in this issue] has been chosen as the retail center developer. RED will develop a 600,000-square-foot outdoor retail center with power and lifestyle tenants that appeal to tourists. Other than Zimmer, RED is the only developer involved in the Tourism District to date that is not a retailer.

Plans for Phase II of the Tourism District call for hotel development — Crandall estimates between 700 and 1,000 rooms at this point. Zoning also

allows for office space.

Zimmer is responsible for master planning the site using the planning talents of Boston-based D'AIQ Architecture, Dallas-based The Hillier Group and Continental Consulting Group of Kansas City. The Unified Government had retained Integra Realty Resources in Phase I of the project to appraise and acquire

1,000 acres for the NASCAR tract. In Phase II, Integra acquired 400 more acres for the Tourism District. Integra still acts as the Unified Government's consultant on the project. Crandall states that Zimmer's role in the Tourism District is to guide the process and to market the district to the retail community.

All in all, the first phase of the project has 1.4 million square feet of retail space. During the first 4 years, \$10 million in real estate property tax revenue will be created for the Unified Government, \$3.4 million of which will go to local school districts. After that, it is estimated the district will generate \$5 million annually. It is expected that the project will generate \$25 million annually in sales taxes. Most of the money created by sales taxes will be used to retire debt that the city created when it issued bonds to build the Tourism District.

"The Unified Government wants to shift away from the dependency on property taxes by creating funds from sales taxes in future years," says Hayes. "As soon as the bonds are paid off, we can generate substantial revenues locally, between \$6 and \$8 million per year from sales tax."

Getting the area started was a tough fight from the beginning for the Uni-

fied Government. Once the speedway decided to locate in Kansas City, the city created legislation that implemented a retail sales tax incentive to create the Tourism District. To bring the speedway in, the Unified Government partnered with the State of Kansas. Several state roads had to be moved for the creation of the track. The State of Kansas has a lot to gain from the success of the Tourism District. Kansas currently ranks 49th in the U.S. in tourism. The state wants to change that statistic and has committed funds to create an area that attracts visitors to the state.

"We're not just looking at this as a retail area," says Mayor Marinovich, "but as a destination point with unique shopping experiences. It's going to be aesthetically different from a shopping center and that's going to set it well for the future."






"The vision of the Tourism District, as its own project outside of the speedway, has enabled the project to be marketed in a more aggressive way," adds Crandall. "We think that this is the start of a trend over the next 5 to 10 years in our business. That trend will be built around public-private partnerships like this one."

Zimmer anticipates groundbreaking on the project will occur this summer and retailers are expected to begin opening in fall 2002. The first 200 acres of the development will be up and running by fall 2003. By fall 2005, Crandall expects the Tourism District to be near build-out. **SCB**

For more information on the project, see our website:  
[www.tourismdistrict.com](http://www.tourismdistrict.com)  
 or contact  
 Bill Crandall at (816) 474-2000.



# Economic Impact

Company	Retail Square Feet	Number of New Jobs During Operations	Projected Annual Sales
 Furniture, Flooring, Appliances, Electronics	580,000	475	\$420,000,000
 An Outdoor Retailer	150,000	400	<b>Project Costs Supported By Sales Tax Revenue</b> \$118,200,000
	77,000	150	<b>Private Investment</b> \$118,400,000
 Creating Shopping Centers To Fit Your Lifestyle	600,000	2,250	<b>Total Project Investment</b> \$236,600,000
 Neighborhood Grill & Bar	5,000	75	
<b>Total</b>	1,412,000	3,350	

House Tourism Committee  
 Meeting Date 1-23-02  
 Attachment 2

12-02



# **KANSAS** **SPEEDWAY**™

Subsidiary of International Speedway Corporation

# 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



# ISC Motorsports Venues



★ Facilities currently planned  
or in development

2-41



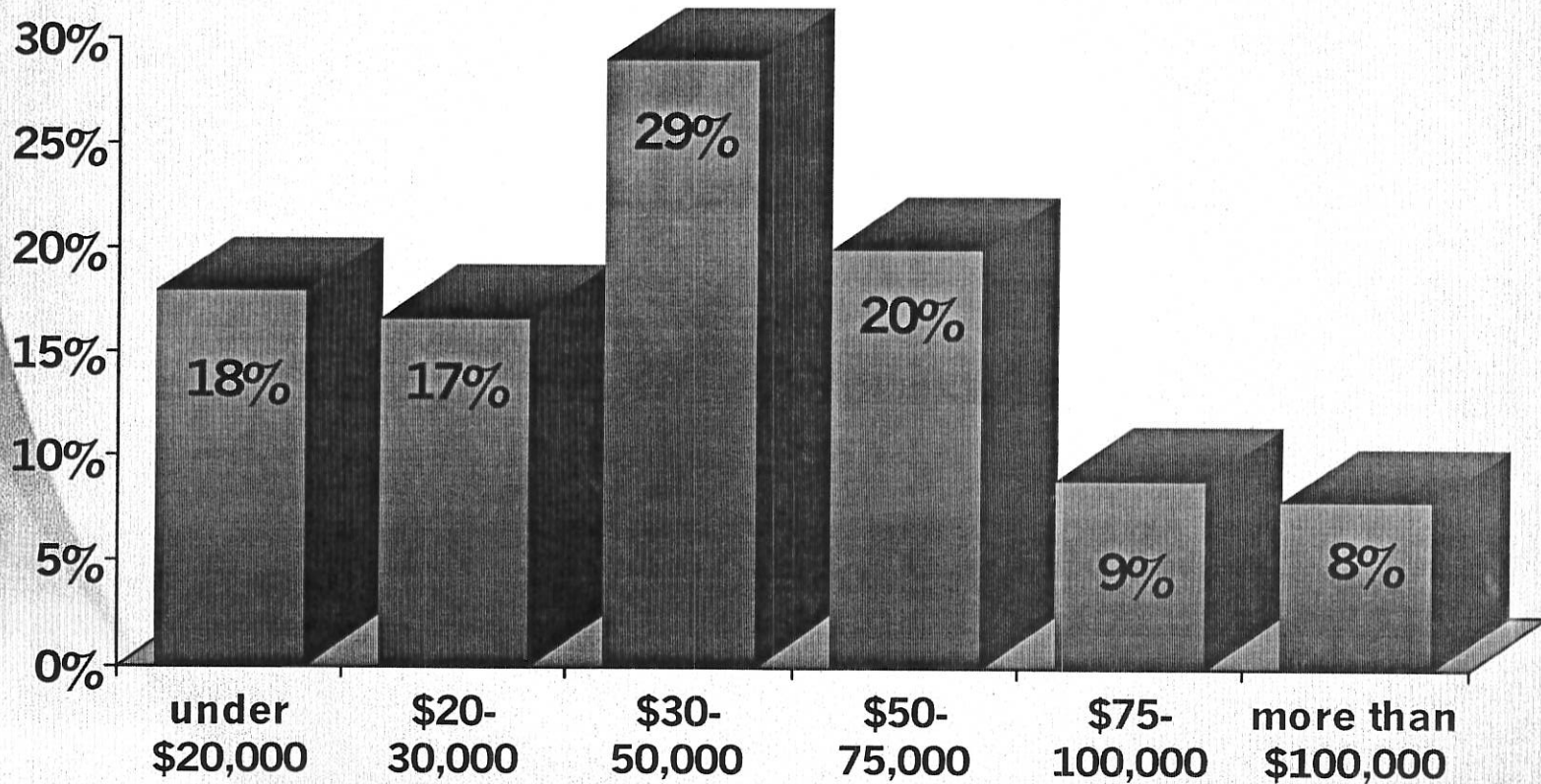
**NASCAR**®

America's Fastest-  
Growing Sport



# Demographics

## Average Household Income



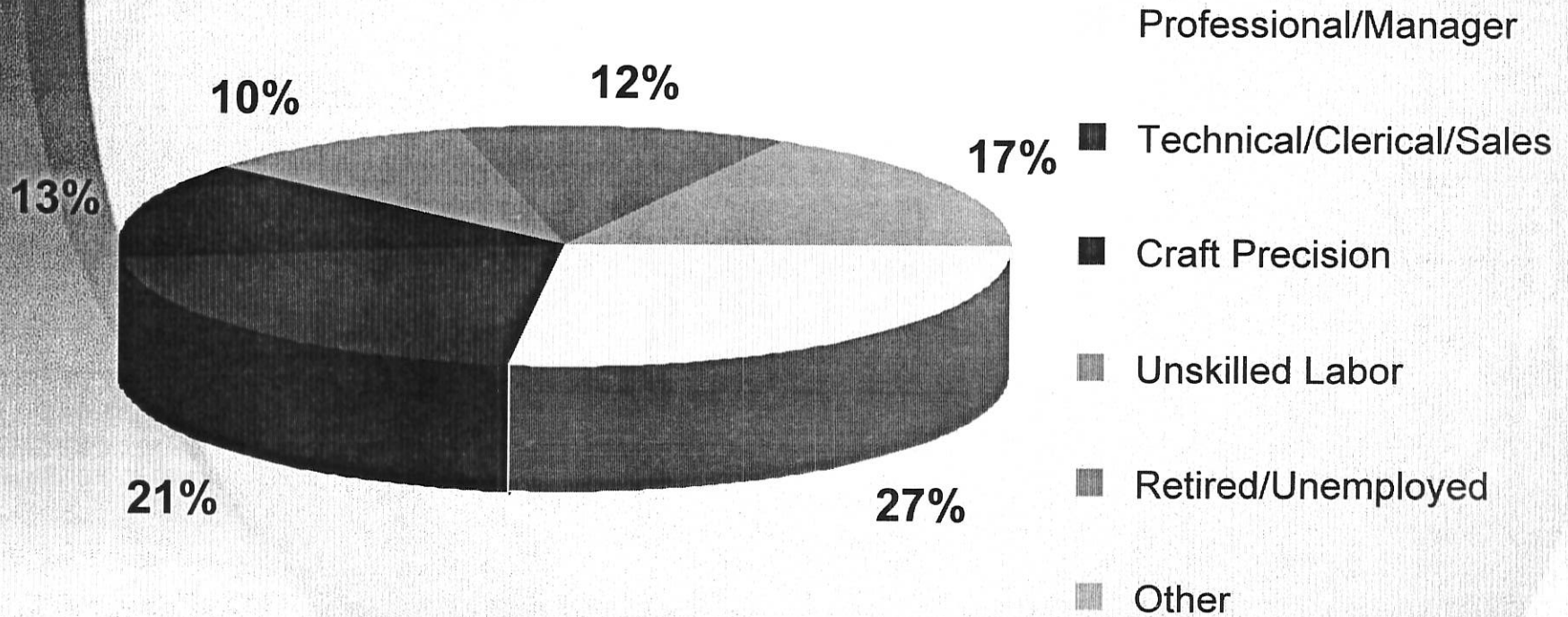
Source: 2001 ESPN Sports Poll



# Demographics

16-17

## Occupation



Source: Simmons Market Research Bureau and Performance Research

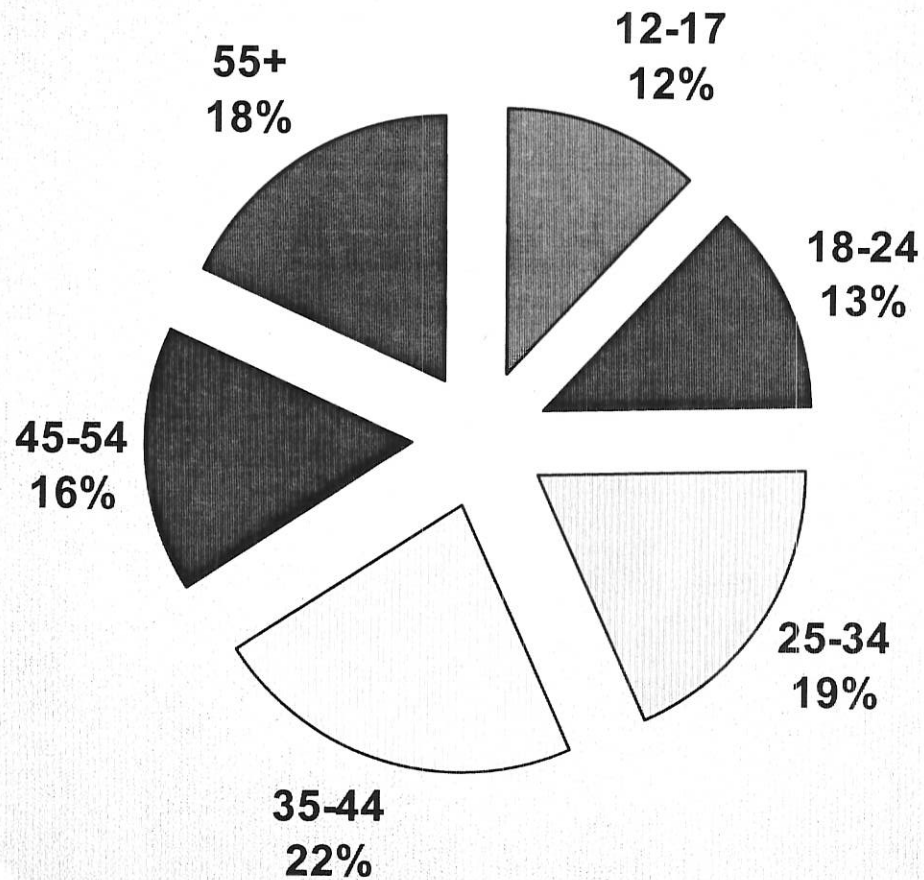




# Demographics

2-8

## Average Age



Source: 1999 ESPN Chilton Sports Poll



## 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

Women make up 41.1% of NASCAR Fans, an increase in 13.3%

-Street & Smith's SportsBusiness Journal December 2001



## Brand Loyalty in

**NASCAR**

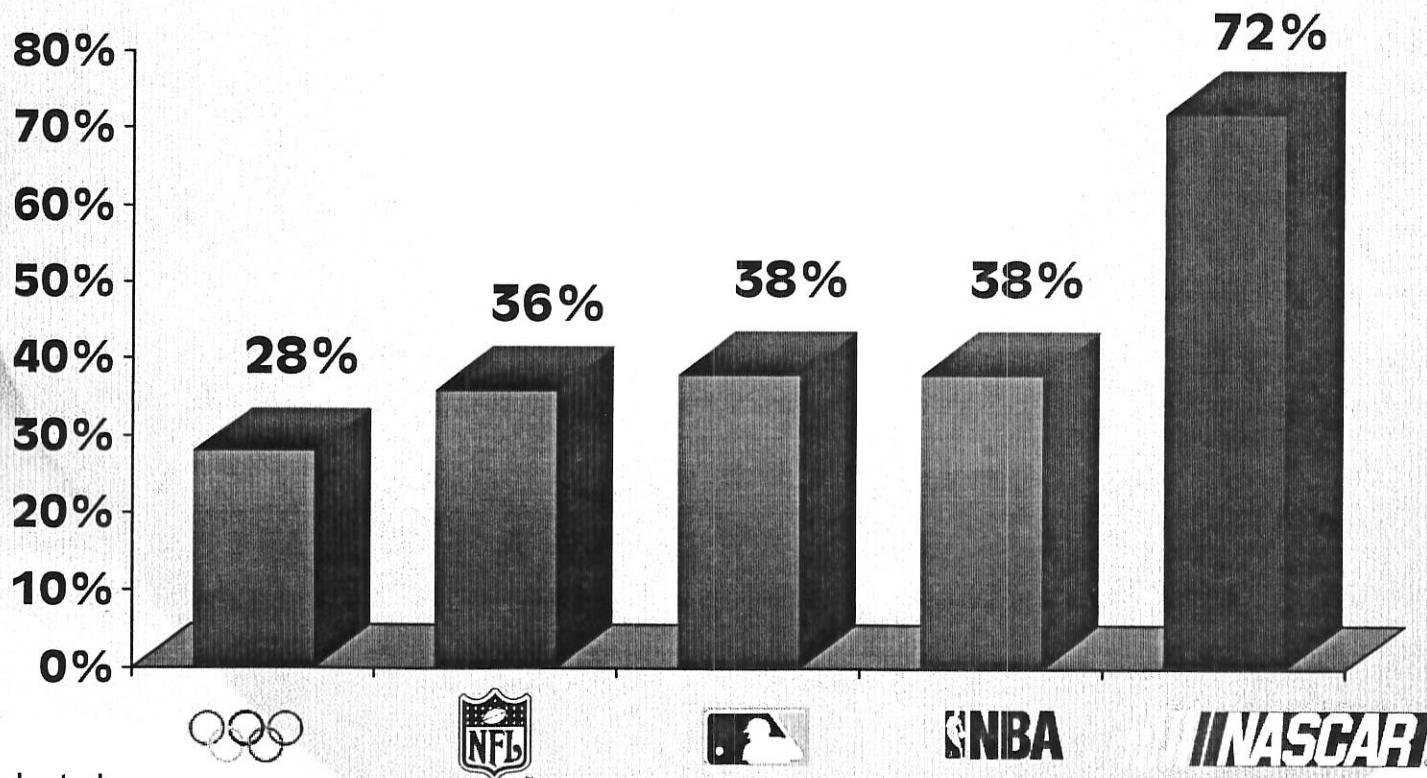
- NASCAR delivers the most brand-loyal fans in sports...enthusiasts that show their pride by regularly supporting the sponsors of their favorite drivers and events.
- The NASCAR fan is well-aware that corporate sponsorship makes “the show” possible. And, unlike other sports, sponsorship and corporate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

# Brand Loyalty in

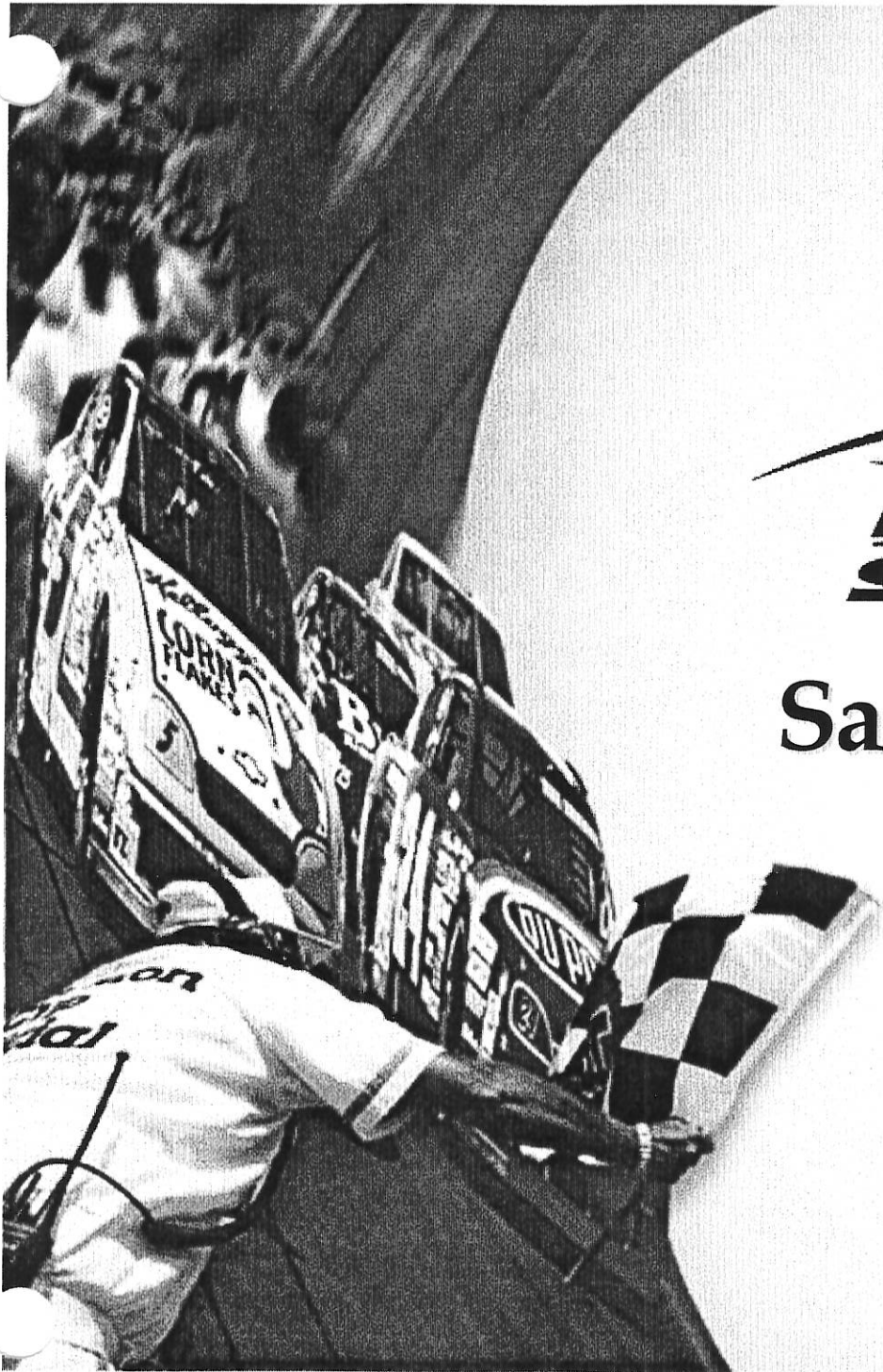
# NASCAR

“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.”

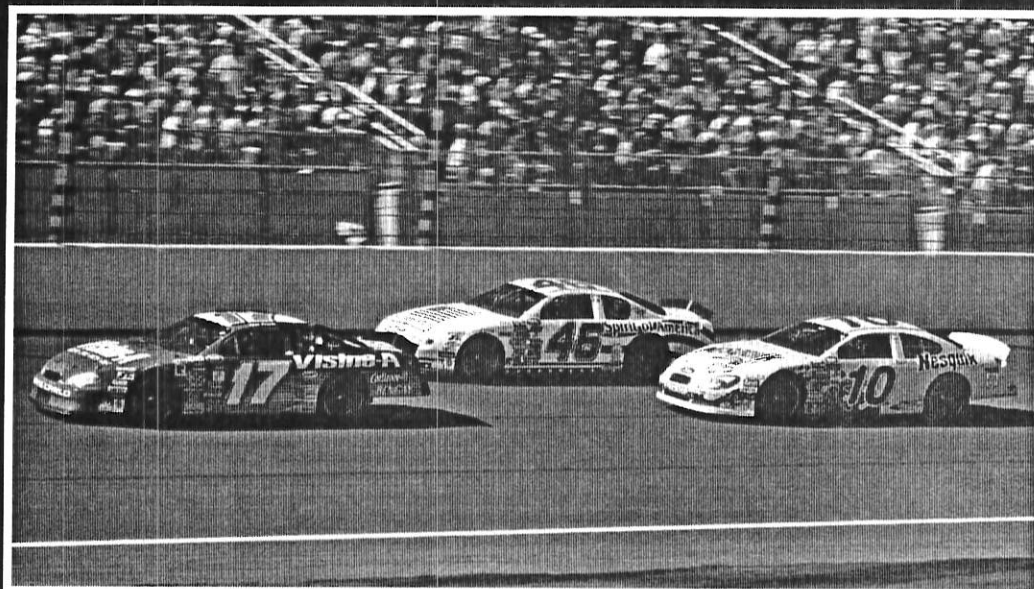
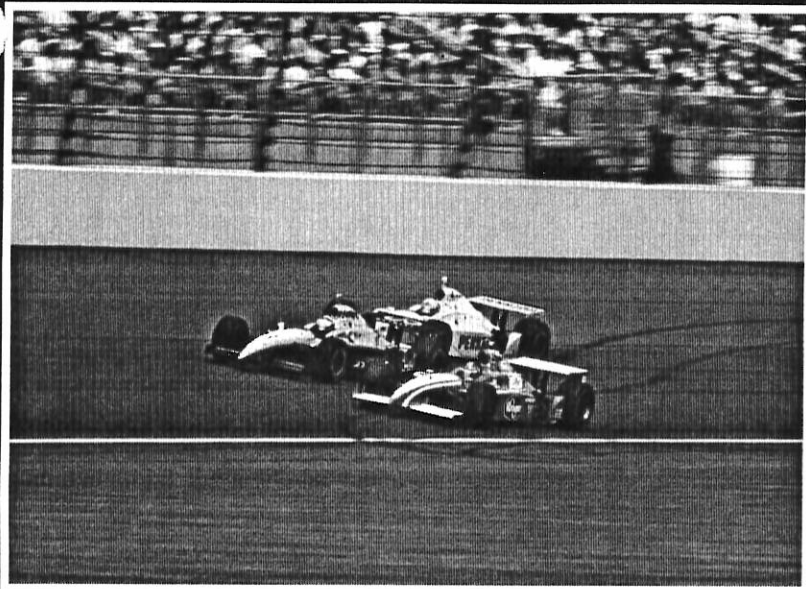
- Performance Research, Inc.



Source: 1997  
Performance Research study



## Sanctioned Events



L-13

**ARCA RE/MAX Series BPU 200**

**NASCAR Winston West Kansas 150**

**NASCAR Craftsman Truck Series O'Reilly Auto Parts 200**

**Indy Racing League Ameristar Casino Indy 200**

**Indy Racing Infiniti Pro Series Kansas 100**

**NASCAR Busch Series Mr. Goodcents 300**

**NASCAR Winston Cup Protection One 400**

**Kansas Speedway/Oklahoma Joe's BBQ Cook-off**

**TRUXPO Truck Tour**

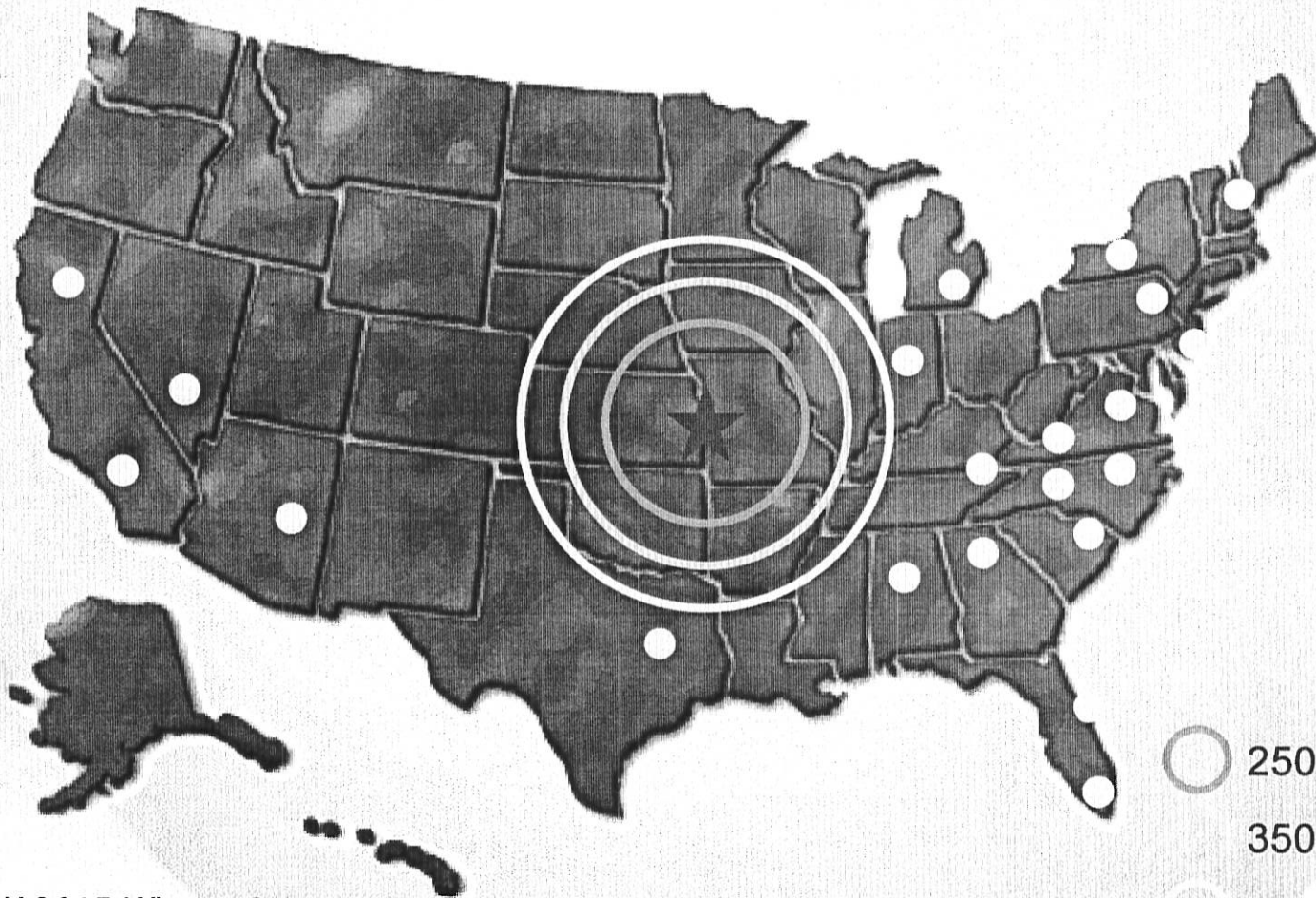
# Kansas Speedway

2-24



- 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

# Market Reach of the New Speedway in Kansas



○ Venues hosting NASCAR Winston Cup events

○ 250 miles  
○ 350 miles  
○ 450 miles



# 2001 Economic Impact Report for Kansas Speedway



# Introduction

- Kansas Speedway's 2001 Inaugural Season
  - ARCA RE/MAX Series BPU 200
  - NASCAR Winston West Kansas 100
  - NASCAR Craftsman Truck Series  
O'Reilly Auto Parts 250
  - Ameristar Indy 200
  - NASCAR Busch Series Mr. Goodcents 300
  - NASCAR Winston Cup Protection One 400

2-94

- The economic impact of the 2001 season for Kansas Speedway was calculated upon:
  - The concentrated four county region consisted of: Clay, Johnson, Jackson and Wyandotte.
  - The entire Kansas City Metropolitan Statistical Area (MSA), which includes: Leavenworth, Miami, Cass, Clinton, Lafayette, Platte, Ray and also includes Clay, Johnson, Jackson and Wyandotte.
- The study was done retroactively
  - Data from Kansas City Sports Commission, prior studies and IMPLAN software were used to estimate the results.
- The following impacts have the potential for occurring on a yearly basis.

## **Major sources of direct economic impact**

- Expenditures at the speedway: tickets, concessions, merchandise and sponsorships.
- Expenditures in the local community: dining, retail, lodging, transportation and entertainment.

# Summary

- Concentrated impact region of Clay, Jackson, Johnson and Wyandotte Counties:
  - \$82 million (in 1998 dollars) spent directly into region.
  - Total gross impact on local spending as much as \$136 million.
  - Of this, \$64 million remains in the local economy as labor income.
  - This additional spending increased tax collection by \$9.1 million.

## Summary (Cont'd)

- Impact for the entire Kansas City Metropolitan Statistical Area (11 county MSA):
  - Total impact on local spending as much as \$150 million.
  - Of this, \$70 million remains in the local economy as labor income.
  - This additional spending increased tax collections by \$10 million.

# Interpretations

- \$82 million was injected into the region as a direct result of the speedway. \$41 million of this amount will remain in the local economy as local labor income.
- After the trickle down effect has ended (the multiplier process), total spending may rise to \$136 million. \$64 million of this amount would remain in the local economy as local labor income.
- The direct impact on business taxes is roughly \$6 million, but could grow to \$9.1 due to the multiplier process.
- The increased spending associated with the speedway could support a maximum of 1,719 full-time equivalent jobs, or 68,760 labor hours.

## **Intangible benefits associated with Television Coverage**

- Television exposure increases the national visibility and image of Kansas Speedway and the surrounding regions.
- Speedvision, ESPN, ABC and NBC televised the events at Kansas Speedway in 2001.
- Conservative estimates place the advertising value of the exposure at \$7.5 million.
  - This estimates the amount of tourist and business-related spending that will flow into the Kansas City region over time as a result of the television exposure from the 2001 racing season.