

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on January 29, 2004, in Room 526-S of the Capitol.

All members were present except:
Rep. Novascone, excused

Committee staff present:
Kathie Sparks, Office of Legislative Research
Rena Jefferies, Office of Revisor of Statutes
Helen Pedigo, Office of Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee: John Watson, Director of Trade Development, Kansas Department of Commerce
Scott Allegrucci, Director of Travel & Tourism, Kansas Department of Commerce
Kevin Willmott, Screenwriter, Filmmaker, Playwright, Actor, and Assistant Professor in the Film Studies Department, Kansas University
Shannon Keenan, Writer, Producer, Director
Charles Miller, Writer, Producer, Director, and Sunrise West Productions Co-Founder
Mr. Larry Garrett, Allego Media

Others attending:
See Attached List.

Chairman Wilk welcomed Mr. John Watson, Director of Trade Development, Kansas Department of Commerce, to the committee. Mr. Watson told the members that the main role of the Trade Development Division is to support Kansas small business in international markets and that small business is the customer base for Kansas export services. He reported that their Division served the customer by defining an entry strategy to markets, providing specific market research relevant to their products or services, providing cash incentives through the Kansas International Trade Show Assistance Program (KITSAP), and organizing trade missions for Kansas businesses to market their products. He also said the Kansas international office staff accompany Kansas companies to appointments when requested. He informed the committee that in the last fiscal year, 192 companies received personalized export counseling services. He said their biggest challenge is the search for new clients who have the potential and capacity to export. In addition to their export work, they also use the state's international offices to recruit investment to Kansas. He reported that last year the Trade Division landed four new international investments for Kansas. These four companies invested a total of \$29.8 million in capital investment which resulted in 280 new jobs. (Attachment 1)

Chairman Wilk thanked Mr. Watson and welcomed Mr. Scott Allegrucci, Director of Travel & Tourism, Kansas Department of Commerce, who presented an overview of travel and tourism. He said their mission is to promote the State of Kansas to travelers and to generate and facilitate tourism and travel-related spending through Kansas. He said their division supports 55,000 jobs throughout Kansas and helps generate \$3.5 billion of annual spending and \$546.1 million in annual federal, state, and local tax revenues. However, he stressed that this is only a part of what their division does, and that the bulk of their activities are made up of imaging and marketing. He said tourism is more than just "play," and that because Kansas is relatively affluent and mobile, travel is big business and is built on the following two things:

- the existence of natural, cultural, and heritage elements unique to each and every place which is the product,
- the efforts of each and every place to make those elements known and accessible which is marketing.

He stated that their charge is to promote Kansas as a whole and to promote the state's existing travel opportunities and to help Kansans maintain and develop high quality products and experiences that will exceed the expectations of travelers. He mentioned they have a full time staff of 12 and also staff at the Goodland Travel Information Center. A portion of their International Marketing, Public Relations, Request and Fulfillment, Travel Information Centers, Marketing/Media Planning, and *KANSAS!* Magazine work is

CONTINUATION SHEET

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE at 3:30 p.m. on January 29, 2004, in Room 526-S of the Capitol.

contracted. His testimony lists all their programs. (Attachment 2)

Chairman Wilk thanked Mr. Allegrucci for the fine job and told the committee that an in-depth presentation was made last fall to the Joint Committee on Economic Development. The Chair said that he wanted to update the committee on the Mortgage Revenue Bond issue and that both sides have made positive movement. Therefore, there was a good chance a proposal would be brought back and that the Committee would work **SB 222**.

The Chair then announced that the agenda would switch gears a little, and in the absence of Ms. Susan Kannarr, Senior Fiscal Analyst, that Ms. Kathie Sparks, Legislative Research, would quickly review the research Ms. Kannarr compiled on the economic impact of film production in Kansas. (Attachment 3)

Chairman Wilk mentioned that filmmaking can be a great business that as a state Kansas has not done much. He then welcomed Mr. Kevin Wilmott, Assistant Professor in the Film Studies Department of the University of Kansas. Mr. Wilmott said that filmmaking has changed and is just not being done in Hollywood, but many films are being made in Canada and other places, too. He said that Kansas has a rich history and many stories to tell. The members showed an interest in viewing his current film, "C.S.A: Confederate States of America," which is about America if the South had won the Civil War. He said that he would try to get an advance copy of the film to the committee.

Chairman Wilk thanked Mr. Wilmott and welcomed Ms. Shannon Keenon, Writer, Producer, and Director. Ms. Keenon said she was originally from Wichita, Kansas, but now lives in Southern California. She has a production company named, Just Hank Productions. Ms. Keenon expressed a sincere interest in being able to film and work in Kansas and said she supported The Kansas Connection proposal.

The Chair thanked Ms. Keenon, and welcomed Mr. Charles Miller, President, The Kansas Connection of Los Angeles, California, who presented a proposal regarding film production development in Kansas. Mr. Miller said he was a native Kansan who was raised in Independence and Coffeyville. He attended both Washburn University and the University of Kansas. As President of The Kansas Connection, he was here to propose something radical and forward thinking that has the potential to alter the economy of Kansas for the 21st Century. He believes that film production can vastly enhance the Kansas economy. By his most conservative estimates, he calculated the economic impact of film production to have a multiplier of 2.12 for each dollar spent. The appealing element he presented was that Kansas could be in a position to benefit from any revenue a film earns by investing in low budget films. He said that Kansas should become involved because at the end of four years a viable industry would employ thousands. He urged the committee to help their group establish bipartisan support and develop legislation before year's end to bring filmmaking in Kansas to fruition. (Attachment 4)

Chairman Wilk thanked Mr. Miller and said he sensed a real interest in this proposal, so would be appointing a sub-committee at the next meeting Thursday, February 3, 2004. The Chair welcomed Mr. Larry Garret, Allegro Media, who presented a Sound Stage Proposal. Mr. Garret then introduced Mr. Gus Sasone, Mr. Warick Graves and Mr. Morris Kay who were with him but not planning to testify. Mr. Garret's proposal included a \$150 million development on the I-70 corridor that would include a fully operational motion picture studio, post-production facility, motion picture production company and an extensive tourism component so visitors could watch films being produced. He said this opportunity has surfaced due to a commitment from Mr. Basem Zakariya, President of a New York based company named Structured Capital Group, Inc. He mentioned the following details:

- Economic Impact: 1,500 construction jobs, 2,000 long term jobs projected for studio operations, up to \$50 million annually in ancillary benefit in areas such as catering, building materials, transportation, food and housing, and additional year-round employee base of 750
- Projected Revenue Benefits: additional income tax revenues - \$5.28 million and projected sales tax revenues of \$2.8 million annually, and \$84 million over 30 years.
- Added Benefits: Impact the School of Film and Theater at the University of Kansas, provide a source of jobs to help keep K.U. graduates in the state, and provide a new destination to attract visitors to Kansas.
- In summary, this studio would mean:

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MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE at 3:30 p.m. on January 29, 2004, in Room 526-S of the Capitol.

1. More business and added tax base
2. New industry
3. Major new tourist attraction
4. 1,500 Construction jobs
5. 2,750 long term jobs
6. Annual added tax revenue - \$2.8 million
7. Added annual income tax revenues - \$5.28 million
8. Additional annual economic impact statewide of \$50 million plus

Several members responded that they appreciated the vision and enthusiasm expressed by the presenter, and Chairman Wilk thanked Mr. Garret. (Attachment 5)

Chairman Wilk announced that he would be appointing a subcommittee to study both of these film proposals.

Representative Hill made a motion to approve the minutes of the January 27, 2004, meeting. Representative Kuether seconded. Motion passed.

The meeting adjourned at 5:30 p.m.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE
GUEST LIST

DATE: Thursday, January 29, 2004

| NAME | REPRESENTING |
|-------------------|-----------------------------|
| Megan Dunn | Hein Law Firm |
| Patrick Heasley | JEDown Construction |
| Barbara Nash | KS FILM COMMISSION |
| Brenda McCants | KS Film Commission |
| Warwick Graves | Wachovia Securities |
| Scott McHail | Los Angeles Film Industry |
| Sean Shuford | Kansas Film Producer |
| Jennifer Dreiling | Kansas film Producer |
| TARE D. TORRES | BUTLER NATIONAL |
| SCOTT AUGERUCA | KANSAS COMMERCE |
| JOHN WATSON | " " |
| CHARLES MILLER | KANSAS CONNECTION |
| Shannan Keeran | The Kansas Connection, Inc. |
| Carl McDowell | Kansas Film Commission |
| CLARK BALDERSON | DIKENGA FILMS |
| KEVIN WILLMOTT | HODCARRIER FILMS |
| PETER JASSO | Kansas Film Commission |
| Lindsay Huggill | " |
| Kate Bartoski | Travel & Tourism |

**Testimony on Overview of the Trade Development Division
to
The House Committee on Economic Development**

**by John Watson
Director of Trade Development
Kansas Department of Commerce**

January 29, 2004

The main role of the Trade Development Division is to support Kansas small business in international markets. By encouraging Kansas companies to export, the division strengthens business enterprise, creates jobs and prepares Kansas companies for the challenges of operating in a global economy. Complementing the division's work in export promotion, we also recruit new investment from international sources. The end result of our effort is stronger Kansas companies able to compete globally and the creation of jobs in Kansas from international investment.

We are pursuing these initiatives because the marketplace is a global arena. The most current export statistics for Kansas conservatively estimate a **\$6.0 billion export economy** with thousands of jobs generated in Kansas as a result of international sales. The top three export markets by destination are Canada, Mexico and Japan, which account for approximately 55% of the state's annual total exports. Kansas is strategically positioned to work in these markets, and our division dedicates a substantial portion of its resources to take advantage of our market strengths.

Our customer base for export services is Kansas small business. To deliver our services and provide market opportunities, we have an aggressive outreach program to identify potential exporters in Kansas. During the past year, the division conducted educational seminars and instruction on the subject of "International Marketing Strategies Using the Internet" at five Kansas locations, including Salina, Hutchinson, Topeka, Pittsburg and Overland Park. To provide a fresh perspective on specific international markets, the Kansas office representatives in Japan, Mexico and Europe gave additional briefings in Kansas on current business opportunities in their respective areas. Our intent in offering these seminars is to motivate Kansas companies to pursue new international business opportunities and make them aware of the services offered by our overseas representatives.

How do we serve the customer? The mix of export services available from the Trade Development Division is diverse and comprehensive. We help companies to define an entry strategy to markets, provide specific market research relevant to their products or services, provide cash incentives through the Kansas International Trade Show Assistance Program (KITSAP) for participation at trade show events, and organize trade missions for Kansas businesses to market their products under the guidance of the

House Economic Development
1-29-04
Attachment 1

experienced division staff. In addition, the Kansas international office staff accompanies Kansas companies to appointments when requested.

In the last fiscal year, 192 companies received personalized export counseling services. The assistance included 70 market research reports and 32 distributor/agent searches prepared by the Kansas international offices. Leveraging the KITSAP program funds to attend trade shows, 41 Kansas companies reported export sales of \$12.96 million from their participation in international trade shows.

Mission activity plays a prominent role in accomplishing both our trade promotion and investment recruitment objectives. With the state's economic strength in aviation and aerospace, our past efforts include sponsoring of Kansas pavilions at the Farnborough and Paris Air shows. These events allow us to promote the state as a good location for international aircraft suppliers to establish U.S. operations and also offer an opportunity for Kansas exhibitors to market their products at major international events with our assistance. Recent mission activity includes Lt. Governor John Moore's initiatives to create market opportunities for Kansas agriculture products in Cuba and the Administration's participation in Midwest U.S.-Japan Association annual conferences. Leadership participation in these marketing initiatives makes a significant difference in the number and quality of business opportunities identified on the mission.

Each year, to honor the state's exporting community and provide a role model for Kansas companies to pattern their own marketing initiatives, the Governor announces the **"Exporter of the Year Award"**. This year's winner, American Crane and Tractor of Kansas City, is an excellent example of a company that through hard work and smart decisions, has bootstrapped their way to a prominent position in the industry as a global supplier to construction machinery parts customers. Following the June award, we encourage the winner to speak to other Kansas businesses about their international experiences and share the "secrets to their export success". Testimonials are often an effective way to motivate small business to take on new challenges.

Our own challenge in the division is the search for new clients who have the potential and capacity to export. Our experience in marketing the services of the division can be summarized as an issue of timing. Unless a company is open and receptive to examining their ability to work in international markets, the division's message often falls on deaf ears. Our direct mail campaigns and seminars seeking new clients result in follow up staff appointments about ten percent of the time. We believe we can be most effective by teaming up with Chambers of Commerce, World Trade Centers, universities and economic development organizations to deliver our export message and services. These institutions often have great networks into the business community, and we can use their influence to attract customer interest.

We have two geographic areas in the world that are underserved by Kansas. **The Greater China Area and South America** are potentially lucrative markets for Kansas exporters. Currently, we have a team of market researchers in place in Chile, Argentina and Brazil to assess markets for our clients. We expect by June to have in place a similar presence in

Beijing, Shanghai and Taipei to promote the sale of Kansas products. Mission activity is scheduled for March in South America, and Asia missions are being planned for 2004. As resources become available, we expect to be more aggressive marketing in Asia and South America. Our long-term goal is to build a larger Kansas office presence in these strategic areas.

In addition to the export promotion work of the division, **we also use the state's international offices to recruit investment to Kansas.** Nearly 80 percent of all inbound investment to the United States originates from three areas in the world: Western Europe, Canada and Japan. By attending trade shows, organizing missions, conducting good public relations and nurturing international contacts, the division staff is increasing the international business presence in Kansas. Affiliates of international corporations employ nearly 40,000 Kansans.

Marketing is conducted through international missions and industry-specific trade shows (e.g. aerospace, renewable energy), as well as promotional activities in targeted geographic markets, such as participation in the Midwest U.S.-Japan Association. The international offices help to build our international network through direct mail initiatives, media relations, and regular contact with overseas companies that have an interest in Kansas. In addition, the Trade Division staff participates in Business Development Division's business recruitment marketing activities such as hosted events for site location consultants and business executives to develop new international leads.

Last fiscal year, the Trade Division using Commerce incentive programs landed four new international investments for Kansas. The four companies invested a total of \$29.8 million in capital investment resulting in 280 new jobs. More recently, a Northern Ireland company, UPU Industries, began construction of a new manufacturing facility in Junction City to produce hay bale netting for agriculture markets. The \$14 million investment is expected to be operational in June 2004 and will employ over 70 Kansans.

Now as never before, we have a unique opportunity to capture export markets and recruit international investment for Kansas. The gradual elimination of worldwide tariffs in WTO negotiations combined with free trade agreements concluded by the US federal government have given Kansas companies greater access than ever before to international markets. We intend to provide leadership and direction to Kansas international business in pursuit these marketing objectives.

Thank you for the invitation to update the Committee on Commerce's international initiatives.

**Testimony on Overview of the Travel & Tourism Division
to
The House Committee on Economic Development**

**by Scott Allegrucci
Director of Travel & Tourism
Kansas Department of Commerce**

January 29, 2004

Mr. Chairman and members of the Committee, my name is Scott Allegrucci, and I serve as the Director of the Travel & Tourism Development Division in the Kansas Department of Commerce. It is my pleasure to have this opportunity to provide you an overview of activities conducted by the Travel & Tourism Division, with emphasis on how those activities fit into overall efforts to realize prosperity in Kansas.

The mission of the Travel & Tourism Development Division is to promote the State of Kansas to travelers and to generate and facilitate tourism- and travel-related spending throughout the state. This mission is built upon the belief that travel and tourism activities are an important part of the State's economic development portfolio, supporting 55,000 jobs throughout Kansas, and helping to generate \$3.5 billion of annual spending and \$546.1 million in annual federal, state and local tax revenues. But those very important tangible benefits are only a part of what travel and tourism provides Kansas.

Though our division is called the Travel and Tourism **Development** Division, the greater balance of our activities are marketing and message oriented. Anchored by Commerce programs that help to make Kansas a great place to work and own a business, the marketing focus of the Travel & Tourism Division highlights the resources and experiences that define the American, Midwestern, and, more specifically, the Kansas lifestyle. The very things that make Kansas a unique and rewarding place to visit, also make it a great place to own and operate a business. Travel & Tourism bridges the economic underpinnings of a productive, innovative work environment with unique recreational and quality-of-life resources. Together, these elements offer a rich and rewarding lifestyle that is, by definition, unique to Kansas.

Tourism, however, is more than mere "play." We are fortunate to live in a relatively affluent, mobile era. People all over the world share a great interest in educational and recreational activities and the ability to explore the unique nature, culture, and heritage of our neighbors, be they across the county line, or an ocean away. Travel is big business; and it is a business built upon two things: the existence of natural and cultural and heritage elements unique to each and every place (**the product**); and the efforts of each and every place to make those elements known and accessible to people from other places (**marketing**). The product that is the focus of the Travel & Tourism Division is **Kansas**— particularly it's nature, culture, and heritage. Our charge is to promote this state – as a whole – within the travel marketplace, to help position Kansas as an attractive destination to decision-makers in the travel marketplace, whether those decision-makers are individual travelers or travel professionals. In addition, while we endeavor to promote the state's existing travel offerings, we are also charged with helping Kansans maintain and develop high-quality, sustainable product and experiences that exceed the expectations of travel customers.

This dual task of quality, sustainable **Product Development** and effective, accountable **Marketing** is the core of Travel & Tourism's work. Currently within the Department of Commerce, the Division of Travel & Tourism is fortunate to enjoy a close and productive working relationship with all other Commerce divisions whereby the expertise and resources available in other divisions are being utilized to make both travel and tourism product development and marketing more effective.

The Travel and Tourism Development Division utilizes a number of programs and resources to meet the Department of Commerce goals related to prosperity, employment, and economic development. These include:

Staff:

- Includes 12 full time staff in the Department of Commerce office, as well as staff at the Goodland Travel Information Center.
- A portion of our International Marketing, Public Relations, Request and Fulfillment, Travel Information Centers, Marketing/Media Planning, and *KANSAS!* Magazine work is contracted.

Programs:

- General Marketing and Media Campaign – Uses various methods and media (focused on print media) to promote Kansas to the traveling public.
- Co-op Marketing Campaign – Provides Kansas travel industry a cost-effective means to reach a larger marketplace, focusing upon print media placements.
- International Marketing Campaign – Focuses upon domestic receptive and foreign travel professionals in the identified target markets of Germany, the U.K., and soon, Japan.
- Public Relations – Works with travel writers to promote coverage of Kansas, as well as a wide array of press activities and targeted industry promotions to generate and exploit Kansas's presence in the travel media.
- KANSAS! Magazine – With a current subscription base of just over 40,000, the award-winning magazine is a self-supporting, beloved fixture among Kansas and other readers, and aiming for increased growth and distribution over the next few years.
- Group Tour Marketing – In conjunction with the travel industry and communities, annual events such as the Familiarization (FAM) Tour and sponsorship/attendance at the National Tour Association (NTA) convention promote Kansas attractions and communities to group tour professionals.
- Attraction Development Grant – Provides financial assistance to entities involved in tourism development statewide. Between 1999 and 2003, the division awarded \$3,776,446, leveraging \$207,806,568 in additional funds, bringing the total fiscal impact of 143 grants in that time period to \$211,583,014 across 75 communities around the state.
- TravelKS.com – A consumer-oriented web site providing interactive and comprehensive information about Kansas events, attractions, and destinations, as well as a means to identify potential customers.
- The Kansas Getaway Guide – Over 450,000 Getaway Guides are printed and distributed annually, supported in part by Kansas travel industry advertising. The division recently partnered with Meredith Publications/Midwest Living Magazine to produce the 2004 Getaway Guide.
- Niche Support – With limited funding, the division seeks to support the six tourism niches (Aviation, Arts, Nature-Based, Hunting/Fishing, Western Frontier and Agritourism) with technical assistance, grant funds, trade show, conference and marketing support, the co-op advertising program, and the web site.
- Travel Information Centers (TICs) – Three official state TICs welcome visitors to Kansas near Goodland, Belle Plain, and the Kansas Speedway in Kansas City. The TICs are continually staffed and provide traveler services and information. The division partners with Kansas Transportation Authority, Kansas Department of Transportation, and several private sector entities to staff, maintain, and support the TICs.

Operational priorities:

In 2004, the department and the division have identified several key priorities in our ongoing attempt to fulfill our mission. These include:

2004 Travel Season Promotion

- Focusing on in-state travelers – an attempt to encourage Kansans to travel in Kansas.
- Intended to encourage exploration of the entire state.
- Enhanced focus upon four key Kansas tourism resources:
 1. Bleeding Kansas heritage (Kansas Territorial Sesquicentennial events)
 2. Brown v. Board (opening of National Historic Site)
 3. Lewis & Clark (national signature event near Atchison)
 4. Tallgrass prairie (efforts to enhance visitor access to the National Preserve)
- *All attractions and events on travelKS.com or in the Getaway Guide are eligible.
- Participants qualify for prizes by traveling, taking photographs of their trip, and submitting those photos.
- Prizes given for qualified entrants in the program. Grand Prize will be a Chevy Malibu Sport from the Kansas GM plant (tentative). Other prizes from Kansas companies (Coleman, Garmin GPS, FLOK, Sprint, KBBA, TIAK, etc.)
- Grand Prize drawing to be held as part of a unique, publicized entertainment event in the fall.

Goals:

Intangible:

- Pride, confidence, and awareness on the part of Kansans regarding tourism potential of the state that will inform future efforts to market Kansas to high-value, out-of-state travelers.
- Increased cooperation and engagement among industry partners.

Tangible:

- Increased travel-related revenue kept in state.
- Data demonstrating revenue, its impact and pattern.
- Increased travel within Kansas by Kansans.
- Enhanced Kansas traveler database.
- Increased usage of travelKS.com by travelers.
- A model for future annual, in-state travel promotions.
- National, regional, and statewide exposure regarding individual events or attractions and Kansas tourism in general.

Acquisition of Research and Market Information

- Research and data acquisition focused upon:
 - Comprehensive and current market information
 - Customer identification and demographics
 - Product inventory
 - Product strengths and deficiencies related to market demand
 - State brand image identification and development
 - State tourism logo/marketing
- Research and data must:
 - Include regional and industry partners
 - Be actionable as well as qualitative or informative
 - Be shared with regional, industry and legislative partners – communication of priorities and needs based upon research findings

Goals:

- Comprehensive, current, actionable understanding of:
 - Customer
 - Market
 - Product
 - Strengths, challenges and potential of all of the above
- Informed, effective, sustainable marketing and product development.
- Accurate economic impact of tourism within the state.
- Accountable return on investments.

2005 Getaway Guide

- Follow-up and improve upon the 2004 Guide.
- Continue augmenting photographic library.
- Strategic statewide and targeted coverage.
- Continue enhancements of and industry engagement with the Guide

Goals:

- Improve Calendar of Events for 2005
- Effectively utilize all value-added elements of the contract.

2004 Tourism Conference

- Continued partnership with TIAK
- Governor's Conference on Travel and Tourism
- Cooperation with other organizations:
 - Kansas chambers of commerce
 - League of Municipalities
 - Agritourism conference

Goals:

- Continue to improve quality of all presentations
- Target presentations for state priorities and goals
- Increase attendance by industry professionals as well as other economic development partners
- Use the conference to strengthen key partnerships

Increase Division's Role in Tourism Product Development

- Respond to travel industry requests to enhance the Attraction Development Grant process through strategic and/or diversified funding.
- Consider Commerce field representation specific to tourism product development.
- Work with STAR Bond process.
- Work with entrepreneurial support programs.
- Enhance partnerships with other Commerce divisions and economic development and community partners.
- Increase Commerce research efforts/capabilities related to tourism.
- Exploit synergy with agritourism.

Goals:

- Increased strategic and effective application of grant funds.
- Capability to assist communities statewide with product development.
 - Responsive and pre-emptive assistance capabilities
- More high-quality, sustainable tourism product and experiences in Kansas.
- Accessible product and experiences in Kansas that are in line with tourism market demand.

Priorities related to the Economic Revitalization Package:

Several specific economic development priorities were identified as a result of the administration's Prosperity Summit process supported by the Department of Commerce. The Travel and Tourism Division, working in partnership with other Commerce divisions, other state agencies, and communities and private sector partners across the state, will support all the Economic Revitalization Plan priorities, while maintaining particular engagement with the following:

State Image and Branding

- Begin working within Commerce and with regional partners to identify goals and priorities.
- Utilize Commerce funds to conduct research, surveys, etc. to identify a short list of effective 'brand identities' for Kansas.
- Organize the process of selecting from those choices.
- Launch 'new' state brand early 2005 (calendar year).
- Manage use of brand.

Goals:

- To create a dynamic, flexible, durable brand image or "attitude" for the state, used to guide and coordinate marketing efforts at the state and regional level by a variety of economic development partners and initiatives.
- An environment where tourism, economic and community development, and regional partners cooperate on image priorities and goals.
- Minimum 5-7 year lifespan for brand identity.

Agritourism

- Coordinate with Eckert AgriMarketing and primary stakeholders regarding a workable/marketable definition of agritourism for Kansas, as well as goals, priorities, challenges and opportunities.
- Statewide product survey.
- Identify best practices in and out of state.
- Develop product development and marketing plans for targeted enterprises.
- Coordinate formation of a statewide agritourism steering committee.
- Working with Ag Products division and some stakeholder partners, coordinate and sponsor statewide agritourism conference in late fall 2004 and the printing of a Kansas-specific agritourism guidebook.

Goals:

- Working, effective definition of agritourism for Kansas.
- Foster development and marketing partnerships regionally.
- Formation of effective statewide steering committee made up of critical stakeholders.
- Accurate inventory of product and experiences statewide.

Support for Nature-Based Tourism

- Support the Cheyenne Bottoms Visitors' Center project.
- Involvement in nature-based economic development survey of Western Kansas.
- Involvement in nature-based economic development survey of the Flint Hills region.
- Support for Geary County/Milford Lake hosting of future national fishing events.
- Work with KDWP to showcase premiere Kansas hunting opportunities.
- Support the next phase of the Tallgrass Prairie Preserve's management plan, to include ecological management/restoration and increased visitor access.
- Capitalize upon synergy with agritourism.

Goals:

- To support viable, sustainable economic alternatives to current or threatened land use activities.
- To provide product and experiences that meet the increasing travel market demand for outdoor and nature-based experiences.
- To enhance visitor access to and awareness of the natural resources and landscapes of Kansas.

Support for Heritage Tourism

- Continue to support Bleeding Kansas National Heritage Area (NHA) efforts, especially with an eye toward placing Kansas firmly on the international Civil War map in advance of the approaching Civil War sesquicentennial.
- Support well conceived plans for other NHA efforts, especially involving pioneer and cowboy heritage and natural resources such as the Flint Hills, Tallgrass Prairie and Cheyenne Bottoms.
- Support Lewis & Clark, Brown v. Board, Kansas Territorial and other anniversaries and events that promote the unique heritage of Kansas.
- Further develop Kansas' identity with unique ethnic heritage (Native American tribes, European immigrant communities, African American, etc.)
- Capitalize upon 'cowboy connections' in Kansas (Prairie Rose Wranglers, Dodge City, Abilene, Chisholm Trail, etc.)
- Capitalize upon synergy with agritourism.

Goals:

- To meet the increasing demand for authentic, unique heritage experiences in the travel market.
- To enhance the image of Kansas by highlighting our very diverse, shared heritage.
- To support efforts to establish unique, heritage-based attractions and experiences that provide sustainable economic development potential across geographic and demographic borders

Ad Astra

- Plan and develop comprehensive, sophisticated marketing analysis to assist with organizational and other decisions regarding the project.
- Continue research and appraisal of models for components of Ad Astra (current models include: Tamarack in West Virginia; the Handmade in America program of North Carolina; the John C. Campbell Folk School in North Carolina; Frog Hollow in Vermont; the Archway in Nebraska; Kentucky Department of Agriculture Country Stores; TIC and signage programs in Iowa, Vermont and Wisconsin; and various private sector retail and food businesses).
- Begin consultation with agricultural, retail, art, craft, design, and other component stakeholders to identify goals, opportunities, partners, challenges, resources, etc. for the project.
- Begin comprehensive review of signage programs, resources and opportunities with KDOT, with an eye toward Ad Astra as a unifying structure for Kansas tourism efforts along the highways.

- Review challenges and opportunities in the TIC system with an eye toward Ad Astra as a unifying structure for the state's TICs.
- Capitalize upon synergy with agritourism.

Goals:

- Ultimately, the goal of Ad Astra is to pursue rural and small business development using tourism in a retail environment along the interstate to enhance the image of Kansas and create economic opportunity. Additionally, Ad Astra will provide a mechanism for more Kansans to live where they want to live across the state, do what they love to do, and earn an income, while enhancing the image of the state.

I offer my thanks to the committee for the opportunity to share information about Travel & Tourism programs and goals, and our role in the Department of Commerce's efforts to realize prosperity in Kansas. This concludes my prepared testimony, and I now welcome questions from the committee.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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January 27, 2004

To: House Economic Development Committee
From: Susan Kannarr, Senior Fiscal Analyst
Re: Economic Impact of Film Production in Kansas

You requested information from staff on the economic impact of film production in Kansas. This memo summarizes information received from the Kansas Film Commission at the Department of Commerce.

During FY 2003, film production dollars spent in Kansas totaled an estimated \$11.3 million. This figure includes dollars originating from out-of-state sources as well as from in-state sources. The Kansas Film Commission provided direct assistance to 26 projects that included independent films (Firecracker and Baby's Breath), industrial films (Raytheon), commercials (Harley Davidson, Cabella's Walleye tournament and Scooby Doo II), cable television shows (Great American Country) and documentaries (Lorenzo Fuller). These projects spent \$3.4 million in the state.

The following table shows the production dollars spent in Kansas from FY 1985 to FY 2003.

Production Dollars spent in Kansas

| | <u>Out-of-state</u> | <u>In-state</u> | <u>Combined</u> |
|--------------|----------------------|-----------------------|-----------------------|
| FY 1985 | \$ 500,000 | \$ 1,000,000 | \$ 1,500,000 |
| FY 1986 | 1,250,000 | 1,000,000 | 2,250,000 |
| FY 1987 | 6,250,000 | 1,000,000 | 7,250,000 |
| FY 1988 | 8,320,000 | 2,360,000 | 10,680,000 |
| FY 1989 | 7,100,000 | 3,720,000 | 10,820,000 |
| FY 1990 | 3,352,000 | 5,080,000 | 8,432,000 |
| FY 1991 | 7,381,000 | 6,440,000 | 13,821,000 |
| FY 1992 | 5,600,000 | 7,800,000 | 13,400,000 |
| FY 1993 | 10,125,000 | 8,478,600 | 18,603,600 |
| FY 1994 | 2,852,500 | 9,216,238 | 12,068,738 |
| FY 1995 | 5,962,000 | 10,020,360 | 15,982,360 |
| FY 1996 | 5,920,500 | 13,718,371 | 19,638,871 |
| FY 1997 | 2,201,900 | 13,826,463 | 16,028,363 |
| FY 1998 | 9,577,500 | 11,921,213 | 21,498,713 |
| FY 1999 | 4,113,750 | 9,388,452 | 13,502,202 |
| FY 2000 | 1,732,000 | 11,468,000 | 13,200,000 |
| FY 2001 | 1,900,000 | 8,920,694 | 10,820,694 |
| FY 2002 | 2,000,000 | 8,000,000 | 10,000,000 |
| FY 2003 | 2,300,000 | 9,000,000 | 11,300,000 |
| TOTAL | \$ 86,138,150 | \$ 142,358,391 | \$ 230,796,541 |

Updated: January 2004

House Economic Development
1-29-04
Attachment 3

Finally, enclosed in this memorandum is a fiscal impact tracking sheet created by the Association of Film Commissioners International. This information is not specific to Kansas but the formulas listed are used to estimate the economic impact of a production in the event that actual reports cannot be accessed from a production company.



Economic Impact Tracking Systems For On-Location Production

[Prepared and ratified by an ad hoc Task Force of AFCI Members on 2/26/01]

Determining an accurate calculation of the economic impact a film or media project brings to an area is an important task. In a perfect world, a commission can establish a good working relationship with the production accountant on each project to arrive at an accurate assessment of the economic impact. However, we also understand this information is not always available.

In the event actual reports cannot be secured, the formulas listed here have been recognized by AFCI members as reasonable guides for calculating the economic impact (per shooting day) of certain projects. These formulas are based on an analysis of studio accounting records, exit reports submitted to film commissions and generally accepted estimates from film commissioners with experience on a wide range of film, television, print, and other media projects. In a major production center or on an international scale, many regions, states and nations have special circumstances that may result in higher or lower figures.

As with any formula, common sense and prevailing history should be applied. By careful tracking of reports from AFCI members using this system, the Task Force will periodically refine the formulas to increase the accuracy and flexibility for all jurisdictions.

| Type of Production | Crew Size | Economic Impact Per Shooting Day * |
|---|-------------------------------|---|
| <i>Feature Films</i> | | |
| High-end budget motion picture | Full crew, union scale | \$100,000/day |
| Average budget motion picture | Full crew, mixed crew | 85,000/day |
| Low-end budget motion picture | Minimal crew, non-union | 35,000/day |
| <i>TV Movie / Series</i> (Assuming an average 14 day shoot) | | |
| Network/Cable Broadcast | | 85,000/day |
| <i>Commercials, Music Videos</i> | | |
| Commercial event (expensive director, helicopters, misc. effects and 'toys') | | 100,000/day |
| High-end budget | Full crew, union scale | 75,000/day |
| Average budget | Full crew, mixed or non-union | 50,000/day |
| Low-end budget | Minimal crew, non-union | 25,000/day |
| <i>All Other</i> (includes Print, 2nd unit, Travel, Documentary, Educational, Corporate, Industrial, Satellite, Foreign broadcasts, Sports and Exercise, etc.) | | |
| High-end budget | Varies | 35,000/day |
| Average budget | Varies | 25,000/day |
| Low-end | Varies | 15,000/day |

**Note: The impact of prep and strike days have been built into the formulas. There are of course exceptions, such as any kind of elaborate set construction or an extended pre-production period. In those cases it was determined that those days should be counted as one-third to one-half of the daily figure for that particular type of shoot.*

JAN 14 7

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January 13, 2004

The Honorable Annie Kuether
State Capitol
Room 279-W
300 SW 10th Avenue
Topeka, Ks. 66612-1590

RE: Dinner and a Movie, January 29, 2004

Dear  Representative Kuether:

At the last meeting of the Kansas Film Commission, you generously offered to help arrange opportunities for the Kansas filmmakers participating in Dinner and a Movie on January 29, to speak before your Committees that day.

The Senate Committee on Commerce meets at 8:30 a.m. and the House Committee on Economic Development meets at 3:30 p.m., and I think both might be appropriate venues for hearing about their work and their ideas for encouraging film production in Kansas.

I enclose brief information about the four young filmmakers who will be with us that day. I also enclose information about Kevin Willmott's film, CSA, which will be shown at Sundance beginning this week.

You may have additional suggestions for their time in the Capitol, and those would be helpful to me. Please let me know if I may provide you with additional information or help you with this in any other way.

Thank you for your good work.

Sincerely,




Carol McDowell

Enclosures

cc: The Honorable Jim Yonally, Member, Kansas Film Commission
Ms. Barbara Nash, President Kansas Film Commission



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House Economic Development
1-29-04
Attachment 4

Charles Miller

Writer / Producer / Director

Kansas Connection: Independence (Kansas), Colleyville, Washburn University, University of Kansas
Sunrise West Productions co-founder Charles Miller came to Los Angeles via the USC Graduate Cinema School, where he was a national Phi Kappa Phi Fellow. His score to the film, *The Performance*, launched a recording career, highlighted by the hit single, *No More Time*. Charles' screenplays include *Journey for a Dead Friend*, *The Pork and Beans Society*, *Rhyoliters*, and *Sunset Motel*. His screenplay, *Impending Matrimony*, was selected as a Top 30 finalist (from over 10,000) in the Miramax/HBO-sponsored Project Greenlight. Charles wrote, directed, and edited the acclaimed short, *A Song for Honest Abe*. Recently, he produced the short, *The Wind Effect*, starring Kathy Christopherson, Grace Zabriskie, and William Devane. He is currently writing the screenplay, *First Flight*, a story of the attempts to invent the airplane. A native of the small communities of Montgomery County, Charles grew up reading the plays of fellow native William Inge.

Shannan Keenan

Writer / Producer / Director

Kansas Connection: Wichita

Shannan is a writer and filmmaker originally from Wichita, Kansas, now living in Southern California. Through her production company, Just Hank Productions, Shannan wrote, directed, and produced the critically acclaimed independent feature *Loaves*. Shannan's script *Randy* has qualified in several screenwriting competitions and her satirical articles have appeared in *Happy Woman Magazine*.

Kevin Willmott

Screenwriter, Filmmaker, Playwright, Actor

Kevin Willmott grew up in Junction City, Kansas and attended Marymount College, receiving his BA in Drama. After graduation, he returned home, working as a peace and civil rights activist, fighting for the rights of the poor, creating two Catholic Worker shelters for the homeless and forcing the integration of several long standing segregated institutions. He attended graduate studies at New York University's Tisch School of the Arts, receiving several writing awards and his M.F.A. in Dramatic Writing.

The play T-MONEY AND WOLF, written with Ric Averill, dealing with the holocaust and contemporary gang violence, was selected as part of the New Vision/New Voices series produced by the Kennedy Center in Washington, DC. The play is published by Dramatic Publishing.

As a screenwriter, he co-wrote SHIELDS GREEN AND THE GOSPEL OF JOHN BROWN with Mitch Brian. The script was purchased by Chris Columbus' 1492 Productions for 20th Century Fox. He also co-wrote CIVILIZED TRIBES for Producer Robert Lawrence and 20th Century Fox. Producer and director Oliver Stone hired him to co-write LITTLE BROWN

BROTHERS, about the Philippine Insurrection. He also adapted the book, MARCHING TO VALHALLA by Michael Blake for Oliver Stone.

For television, he co-wrote with Brian, HOUSE OF GETTY and THE 70's, both mini-series for NBC. THE 70's aired in May of 2000.

NINTH STREET, an independent feature film starring Martin Sheen, Isaac Hayes and Queen Bey, was written, produced and co-directed by Willmott. He also plays the role of "Huddie," one of the film's main characters. NINTH STREET is a comedy/drama based on Willmott's experiences growing up in the small town of Junction City, Kansas that is adjacent to an army base. Set in 1968, the film deals with the last days of one of the most notorious streets in the nation. It is distributed by Ideal and was released in November of 1999 on video and DVD.

He most recently authored COLORED MEN, about the Houston riot of 1917. He also adapted "THE WATSONS GO TO BIRMINGHAM" for CBS, Columbia Tri-Star and Executive Producer Whoopi Goldberg.

His current film, C.S.A: Confederate States of America is about America, had the South won the Civil War.

Willmott is an Assistant Professor in the Film Studies Department of Kansas University. He and his wife Becky have five children and live in Lawrence, Kansas.

Scott McPhail

Writer/Producer/Director

Currently the head of marketing for Dreamworks Animation in Burbank, California; Scott grew up in Wichita and graduated from the University of Kansas. His 2001 film, THE GOOD THINGS, was filmed on location in Kansas, and won the 2001 Grand Prix at the International Film Festival in Deauville, France.



american spectrum

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CSA: The Confederate States of America

(more info)

U.S.A., 2003, 91 Minutes, color & b/w

Director: Kevin Willmott
Screenwriter - Kevin Willmott
Executive Producer - Marvin Voth
Producer - Rick Cowan
Cinematographer - Matthew Jacobson
Editors - Sean Blake, David Gramly
Additional Photography - Tim DePaepe, Fred Paddock, Roland Schlotzhauer, Timothy Rebman
Cast - Charles Frank, Evamaril Johnson, Rupert Pate, Larry Peterson

Screening Times

| | | |
|-------------------------|----------|----------------------------|
| Saturday, Jan 17 | 8:30 PM | Prospector Square Theatre |
| Sunday, Jan 18 | 11:30 PM | Prospector Square Theatre |
| Monday, Jan 19 | 8:30 PM | Holiday Village Cinema II |
| Tuesday, Jan 20 | 9:00 PM | Broadway Centre Cinemas VI |

If you're going to tell people the truth, you better make them laugh; otherwise they'll kill you.
--George Bernard Shaw

An audacious, frighteningly resonant faux documentary, *CSA: The Confederate States of America* asks what American culture would look like if the South had won the Civil War. Venturing a glimpse at such a world, it simulates the experience of watching a TV special, complete with racist commercials and newsbreaks.

The special itself, a slick Ken Burns-style piece, details the "grand" history of the Confederate nation as it fights to preserve its antebellum way of life. After triumphing at Gettysburg, the South sends Lincoln packing to Canada and gets cozy in the White House. The long-term result? Chattel slavery of all non-Aryans; all-out conquest and apartheid in Latin America; an alliance with Hitler, a Cold War with Canada; a slave shopping network on TV and the Internet.

A thoroughly researched and phenomenally well-executed satire which fastidiously hybridizes factual and fictional elements, *CSA's* bold, unbridled offensiveness is certain to elicit uncomfortable laughter. Its power lies in its proximity to the truth and its creepily familiar rhetoric. As Trent Lott defends "states' rights," black men pack the prisons, and euphemisms continue to mask hatred and misunderstanding, *CSA* is a parody that painfully but humorously hits close to home. — Caroline Libresco

[back](#)

director(s)

Kevin Willmott

Kevin Willmott grew up in Junction City, Kansas, and has worked as a peace and civil-rights activist. He collaborated with Mitch Brian on *Shields Green* and the *Gospel of John Brown* for 20th Century Fox and Michael Blake's *Marching to Valhalla* for Oliver Stone. He also cowrote (with Brian) the miniseries *The 70s* (NBC). "Colored Men" and "Gotta Give It Up!" are his latest scripts. He is an assistant professor in the film studies department at Kansas University.

Primary Contact

<http://festival.sundance.org/filmguide/popup.aspx?film=F4090>

01/12/2004

Rick Cowan

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Film Studio and Tourism Opportunity for the State of Kansas

We are proposing a \$150 million development on the I-70 corridor that will include a fully operational motion picture studio, post-production facility, motion picture production company and an extensive tourism component which will give visitors the unique opportunity to watch films being produced.

This opportunity has become available thanks to a commitment from Mr. Basem Zakariya, president of a New York based company named Structured Capital Group Inc. He has agreed that the motion picture development division of his company will produce 5 motion pictures a year, each with an average budget of \$5 million, for a 5-year period in this facility. This is critical because it provides a stable flow of production that will make the facility itself successful while enhancing the tourism side.

The Economic Impact

- Facility construction — 1,500 construction jobs.
- Film Operations — 2,000 long term jobs projected for studio operations
- Film Projects — Up to \$50 million annually in ancillary benefit in areas such as catering, building materials, transportation, food and housing.
- The Tourism Operations — Additional year round employee base of 750

Projected Revenue Benefits

- Additional income tax revenues — \$5.28 million
- Projected sales tax revenues of \$2.8 million annual, \$84 million over 30 years.

Added benefits

- Significantly and positively impact the School of Film and Theater at the University of Kansas while providing a source of jobs to help keep K.U. graduates in the state.
- An exciting new destination to attract visitors to Kansas.

In summary, this studio means:

- More business & added tax base
- New industry
- Major new tourist attraction
- 1,500 Construction jobs
- 2,750 Long term jobs
- Annual Added Tax Revenue - \$2.8 million
- Added annual income tax revenues - \$5.28 million
- Additional annual economic impact statewide of \$50 million+

House Economic Development
1-29-04
Attachment 5