

Approved: February 1, 2010
Date

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 p.m. on January 27, 2010, in Room 152-S of the Capitol.

All members were present except:

Representative Owen Donohoe- excused
Representative Pat George- excused
Representative Don Hill- excused
Representative Valdenia Winn- excused

Committee staff present:

Doug Taylor, Office of the Revisor of Statutes
Reed Holwegner, Kansas Legislative Research Department
Brandon Riffel, Kansas Legislative Research Department
Ann Deitcher, Committee Assistant

Conferees appearing before the Committee:

Becky Blake, Director., Travel & Tourism Development Division, Department of Commerce
Peter S. Jasso, Director, Kansas Film Commission, Department of Commerce
Carole Jordan, Senior Director, Rural Development Division, Department of Commerce

The Chair introduced Becky Blake who offered a film presentation regarding FY 2010. (Attachment 1).

She told of the two new media blitzes targeting Oklahoma, Texas, Nebraska and Iowa.

When attending trade shows, realizing that various towns were unable to attend due to limited funds, Ms. Blake said she and her staff were distributing their brochures for them.

"Visiting Friends and Relatives Campaign", entitled "Yellow Brick Road Trip" is an in-state Summer promotion to be offered online, by radio and in print and is targeted at Kansas residents.

A study was made on what the return was for each dollar they'd invested in their advertising. Having previously been \$54 per \$1 invested, they were pleased that it was now \$90 per \$1, feeling their efforts were paying off.

Questions and answers followed.

Next on the agenda was Peter Jasso who gave a brief summary of the results of the film production dollars spent in the state during FY 2010, a total of \$20 million. (Attachment 2).

Revenue totals are computed from sales and withholding tax figures under the following code headings: 512110 Motion Picture and Video Production; 512199 Other Motion Picture and Video Industries; 512240 Sound Recording Studios; and 711510 Independent Artists, Writers and Performers.

Mr. Jasso said that since 1985, a total of \$372,033,707 in production dollars has been spent in Kansas.

He said that the purpose of the Kansas Film Commission was to serve as a liaison between prospective film makers and the state of Kansas, as well as encourage and support the local film industry.

The Kansas Film Commission is currently in the process of redesigning its website to enhance service and increase efficiency. The new site will include a more detailed production guide, a searchable locations database, increased interactivity and self-service applications and updated information on film related news and events. The redesign is expected to launch in the Spring of 2010.

Questions and answers followed.

CONTINUATION SHEET

Minutes of the House Economic Development and Tourism Committee at 3:30 p.m. on January 27, 2010, in Room 152-S of the Capitol.

Carole Jordan addressed the Committee regarding the challenges and opportunities seen for the state of Kansas, rural and urban alike. (Attachment 3).

She said that she knew there were problems for rural Kansas. Everyone knew the facts about population loss, depletion of wealth, aging populace, loss of businesses, loss of support services in some rural areas of Kansas and the entire Midwest. But resources do exist and they believed those resources could help build on the human and natural resources of rural Kansas to provide opportunities and growth for the entire state of Kansas.

A development resource guide has been put together because of the diversity of our programs and partners who also provide resources for rural Kansas. It describes their partnerships with business development, community capacity building, community development and regional assistance entities.

Questions and answers followed.

The Chair spoke to the Committee of the upcoming meetings.

The meeting was adjourned at 4:50 p.m.

The next meeting is scheduled for February 1, 2010.

KANSAS

DEPARTMENT OF COMMERCE

Travel & Tourism

FY '10 Priority Projects

House Economic Development
and Tourism Committee

January 27, 2010

Presented by Becky Blake, Director

Goals

1. Marketing
2. Product Development
3. Education, Communication & Outreach
4. Research

Guiding Principles

- Do what the industry cannot do for itself
- Focus on targeted out-of-state & international audiences
- Support the tourism industry
- Align resources with high impact program & track effectiveness
- Encourage & support collaboration

Marketing

- Television Campaign
 - 8 drive markets: Omaha, Lincoln, KC, Springfield, Tulsa, OK City, St. Louis, Minneapolis
- 11 Community Partners - \$220,000 revenue

Marketing Print / Magazine

- Good Housekeeping
- O! Oprah Magazine
- Budget Travel
- History Channel Magazine
- Midwest Living
- Endless Vacations
- AAA
- Birder's World
- American Heritage

Marketing Newspaper Inserts

- Madden Preprint
 - 525,000 in out of state drive markets & in-state
- Midwest Vacation Guide
 - 13.9 million in select national markets
- Co-op project with destinations/businesses

Economic Development & Tourism

Date: 1-27-10

Attachment # 1-1

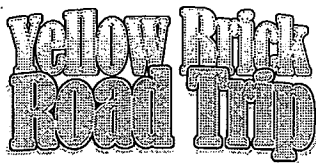
NEW Co-op Marketing for 2010

- Radio
- "Deal & Packages"
on-line & e-blasts
- On-line coupons
- Home-page image
rotation
- Pay Per Click/SEM
- Media Blitzes
 - OK/TX
 - NE/IA
 - NYC
- Trade Show
brochure distribution

Marketing Nature Based

- New Print
Advertising
- Expanded Web
Content
- Additional E-blasts
- Database updates
- KDWP Collaboration
 - Research
 - Marketing

Visiting Friends & Relatives Campaign



In-state Summer Promotion

- Online
- Radio
- Print
- Social
- Mobile

Marketing Overseas

- Sustain & increase wholesale
distribution
- Increase consumer awareness

***Americana Show/Sales Mission,
September, 2010***

Scenic Byways

- KDOT Collaboration
 - Management Plan
 - Marketing Strategy
 - Conference

Developing our Product

- Flint Hills
 - Flint Hills Discover Center, Manhattan
 - Visitors Center, TPNP
 - Equestrian Trails

Developing our Product

- Freedoms Frontier National Heritage Area
 - Management Plan
 - Product Development
 - Marketing
 - Website
 - Map Guide

2011 Unique Opportunities

- Kansas Statehood
- Civil War
- Pony Express



Summary

- Successes
 - Return on Investment
 - Trends support Kansas growth
 - Creative solutions
 - Collaboration
 - Measuring success
- Challenges
 - Economic conditions
 - Demonization of travel
 - Budget - Relationships

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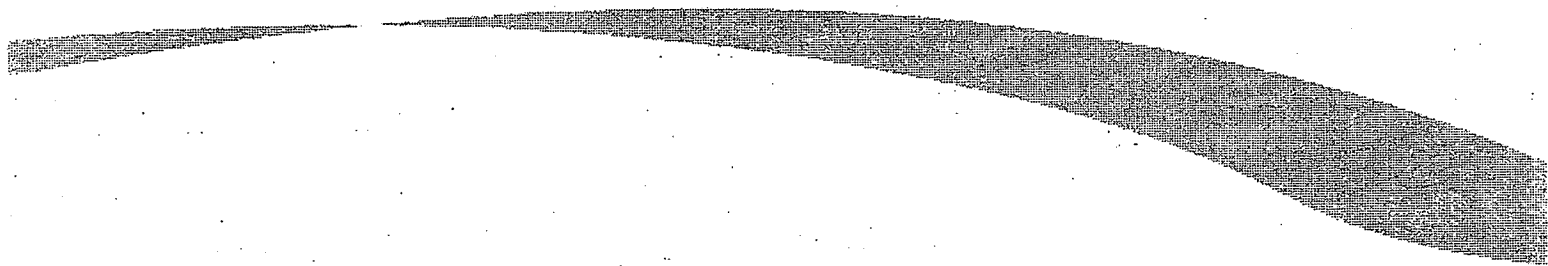
William R. Thornton, Secretary



Kansas Film Commission Briefing

The House Committee on Economic Development & Tourism

January 27, 2010



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Economic Development & Tourism
Date: 1-27-10
Attachment # 2-1



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Briefing on the Kansas Film Commission

to

The House Committee on Economic Development & Tourism

by Peter Jasso, Manager
Kansas Film Commission
Kansas Department of Commerce

January 27, 2010

Madam Chairperson and Members of the Joint Committee:

Thank you for the opportunity to speak to you today. My name is Peter Jasso and I am the Manager of the Kansas Film Commission.

The Kansas Film Commission is a program in the Kansas Department of Commerce's Business Development Division created to encourage and service film and video production in the state of Kansas. The Commission budget currently provides for one full time employee with an operational budget of \$39,677. The Commission also includes a gubernatorially appointed advisory board. Attached is a current roster of the appointed members.

Over the past year, the Kansas Film Commission provided assistance to several productions including independent features (*Dead Can't Dance*, *Nail Biter*, *After Life*, *Stuck*), cable TV shows (VH1, Travel Channel, *Broken Road*, German TV, Discovery Channel, Kirstie Alley reality promo), commercials (Coke Zero, John Deere, HyVee, McDonald's) documentaries (Big Brutus, Porubsky's, Cowtown Ballroom) and shorts (SenoReality, Mitch Brian, IMG). During FY' 09, film production dollars spent in the state totaled an estimated \$20 million. Revenue totals are computed from sales and withholding tax figures under the following code headings: 512110 Motion Picture and Video Production; 512199 Other Motion Picture and Video Industries; 512240 Sound Recording Studios; and 711510 Independent Artists, Writers, and Performers. Since 1985, a total of \$372,033,707 in production dollars has been spent in Kansas.

In 2009, the legislature suspended The Kansas Film Production Tax Credit for 2009 & 2010. The credit provided for a 30% non-refundable, non-transferable film production tax credit, which allowed production companies to claim a tax credit equal to 30% of their total in-state expenditures for a particular project, capped at a total annual amount of \$2 million dollars. Kansas continues to lose several large productions each year over this issue, some of which have been specifically set in Kansas. While it is difficult to estimate exactly how much potential revenue has been lost, we can report that we receive 15-20 inquiries each year from projects with significant projects and an expressed interest in shooting in Kansas. A look back at projects that have either been set in Kansas or had expressed significant interest in Kansas since 2002 show potential expenditures at \$180 million.

Nevertheless, the Film Commission continues to support the efforts of local filmmakers who have again gained national recognition for their work. Kevin Willmott's *The Only Good Indian*, which had its world premiere at last year's prestigious Sundance Film Festival, continues to play in film festivals around the world and recently won Best Feature at the Santa Fe Film Festival. *Earthwork*, a bio-pic about the early career of Kansas crop artist Stan Herd, premiered at the Austin Film Festival in the Fall, and won the audience and

independent spirit award in Santa Fe. And a documentary about the Cowtown Ballroom in Kansas City has screened at several festivals in California, Arkansas, Texas, and New Mexico. This is just to name a few of the projects involving Kansas talent and locations that have garnered attention outside of our state.

The purpose of the Kansas Film Commission is to serve as a liaison between prospective filmmakers and the state of Kansas, as well as encourage and support the local film industry. The Commission is the first point of contact for any production looking for resources, contacts, direction, and advice. The Kansas Film Commission assists companies with a wide variety of production issues, including locations, facilities, governmental assistance, personnel, and support services and works closely with community contacts in all branches of state and local government to make filming in Kansas more efficient. The Kansas Film Commission is currently in the process of redesigning its website to enhance service and increase efficiency. The new site will include a more detailed production guide, a searchable locations database, increased interactivity and self-service applications, and updated information on film related news and events. The redesign is expected to launch in the Spring of 2010. The Commission also produces a weekly e-newsletter featuring information on local film related events and projects that is distributed to over 1200 film professionals and enthusiasts, and organizes a program called the Free State Traveling Picture Show which acts as a kind of in-state distribution network for locally produced features and historic and independent theaters. We are also currently in the process of establishing a statewide faculty-student run film education organization that will advance and improve film/video education in Kansas, create a communication and resource sharing network between participating institutions on a local, regional, and statewide level, create a support system for the creation and exhibition of student based film/video projects; and organize an annual statewide conference. We are currently working with several high school teachers, the Department of Film and Media Studies at KU, and the Kansas Department of Education on this project.

Thank you for your time and the opportunity to address the committee.

Testimony on Rural Development Division
to
The House Committee on Economic Development and Tourism

by Carole Jordan
Director
Rural Development Division
Kansas Department of Commerce

January 27, 2010

Good Afternoon, Chairwoman Gordon and members of the committee, and thanks for the opportunity to talk about the Commerce Division of Rural Development and report on challenges and opportunities we see for the state of Kansas, rural and urban alike.

Of course there are problems for rural Kansas. We all know the facts about population loss, depletion of wealth, aging populace, loss of businesses, loss of support services in some rural areas of Kansas and the entire Midwest. But resources exist as well. We believe those resources can help build on the human and natural resources of rural Kansas to provide opportunities and growth for the entire state of Kansas.

Why Should Others Care?

Rural Kansas is not abstract, distant, or just on the way to Colorado. It is home to the foundation of our economy, where our agriculture, natural resources and renewable energy opportunities reside. There is no rural economy, only a Kansas economy. Kansas wouldn't be benefitting from the Animal Health Corridor, the Green Economy, or the emerging biosciences economy without the fields and towns of rural Kansas.

State Rural Development Division

The division was created in the fall of 2008 with a reorganization that responded to the 2007 Kansas, Inc., Strategic Plan suggestion that rural development be recognized at the highest levels in our state's leading economic development agency, the Department of Commerce. They suggested it should:

- Provide a central point of access
- Have understanding and inventory of assets

- Convene and coordinate efforts
- Measure needs and efforts
- Ensure follow-up and follow-through

Rural Broadband Initiative

An example of what we can do as a division is the rural broadband initiative, taken on by the division last spring when we learned about federal stimulus dollars that were to become available for expansion of access to high speed internet services in underserved and unserved areas, primarily rural. Our initiative strives to maximize the use of federal ARRA dollars, working to build a long-term strategy for broadband infrastructure with an ultimate result of equitable high-speed Internet access for rural Kansans as well as urban. That means economic development, telemedicine, e-government and educational opportunities that will matter greatly for the future of rural Kansas.

Rural Development Initiative of 2007

- Creation of an Office of Rural Opportunity—now fully staffed for two years by four field employees housed at community colleges in rural areas. Their mission—to support the efforts of rural communities to achieve their goals by increasing awareness and access to available resources...have leveraged more than \$24 million for rural communities since inception.
- Community Capacity Building Grants—communities apply for assistance to help themselves achieve their goals through community involvement and creation of strategic plans.
- Small Community Improvement Program—state dollars combine with community work to provide things that will make life better.
- Dollars for entrepreneurship and small business—we work closely with SBDC and NetWork Kansas.

Other Programs

- CDBG block grants
- CDBG urgent need
- CDBG economic development for communities attracting or retaining business
- Rural business development tax credits
- Renewable energy tax credits
- Value-added agriculture loans
- Main Street Program (and IWW loans)
- IDAs
- Community service tax credits

RURAL DEVELOPMENT

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- Simply Kansas program, loans and grants
- Agritourism program, loans and grants
- CDBG Urgent Need grants
- Convener of rural development partner group

If our programs seem diverse, that's because they are, as are the employees that staff the programs, but we have one important thing in common—a passion for a healthy rural Kansas.

Development Resource Guide

We put the guide together because of the diversity of our programs and our partners who also provide resources for rural Kansas. It describes our partnerships with business development, community capacity building, community development and regional assistance entities.

Partnering

It's simple but true...it helps to talk to each other. So we meet regularly by phone and face-to-face with academic, state, private and federal partners. Organizations include USDA RD, SBDC, KU and KSU, other agencies, Kansas Farm Bureau, community foundations and others.

We Support

We support Community Capacity Building efforts from groups such as HTP or Public Square. Greeley County is an example of the Public Square process. Through community conversations begun under the Public Square process, the community itself decided to consolidate government to improve efficiency of tax-funded services....and 73 percent of the voters agreed. HTP, sponsored by Kansas Farm Bureau, has three pilot communities: Sedan, Onaga and Atwood. Public Square and HTP are notable efforts. Other such efforts are out there quietly doing good work—the Kansas PRIDE program, the Main Street program, Kansas Health Foundation, Kansas Leadership Foundation, Center for Community Support and others.

Other Activities of the Past Year

The Kansas Legislature created the Rural Policy Commission, an independent body that will focus on rural issues and, serve as a “think tank” to help us remain aware of issues at the grass roots. We've been assisting that group and its chairman, Catherine Domsch of Bird City, as it organizes and educates itself on current rural development activities. Also this year we have met budget challenges but maintained services to rural Kansas. Our CDBG program allocated ARRA dollars for CDBG-r to help 14 communities begin long-needed projects. It also is managing NSP I to help purchase foreclosed-upon housing, rehabilitate and sell to new homeowners. We have reinvigorated our international marketing efforts with our trade division, marketed and grown our Simply Kansas trademark program for value-added Kansas agricultural products, been the lead state agency for the state's first MarketPlace conference for rural communities and entrepreneurs, launched a dairy initiative in cooperation with wKREDA, brought our Agriculture Value-Added Loan program up-to-date, received a mapping and planning grant from the federal

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government to allow the state to expand rural high-speed internet access, and hosted an agritourism conference - entering the world of social networking for our agriculture products.

In Conclusion

Collaboration and partnerships will be key to our common goal—building healthy 21st century rural communities in Kansas. I would be happy to answer questions.

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