

# **INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE**

## **Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection**

### **Minutes of the 2nd Meeting of the 2018 Interim**

**September 27, 2018**

#### **Call to Order and Roll Call**

The 2nd meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations and Revenue was held on Thursday, September 27, 2018, at 10:00 AM CDT, in Room 131 of the Paducah Campus of Murray State University, 4430 Sunset Avenue, Paducah, KY. Representative Jill York, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jill York, Co-Chair; Senator Perry B. Clark; Representatives Bart Rowland and Steven Rudy.

Guests: Mary Hammond, Executive Director, Paducah-McCracken County Convention & Visitors Bureau; Brandi Harless, Mayor, City of Paducah; Tammara Tracy, Director, Paducah City Planning Department; Hank Phillips, Kentucky Travel Industry Association; and Frank Bennett, Chief Executive Officer (CEO), National Quilt Museum.

LRC Staff: Nick Peak and Benjamin Thompson.

#### **Overview of the Many Tourism Opportunities in Paducah-McCracken County and Benefits of UNESCO Designation**

Ms. Hammond summarized the tourism prospects in Paducah and spoke of the tourism and cultural benefits of being designated a United Nations Educational, Scientific and Cultural Organization (UNESCO) Creative City.

In response to a question from Chair York, Ms. Hammond said that it would benefit the region if Paducah pooled its resources with other cities like Owensboro and Bowling Green to market jointly.

In response to a question from Senator Clark, Ms. Hammond stated that the region's tourism funding from the state had decreased, making it more difficult to effectively market jointly.

### **Overview of City's Perspective of the Impacts of Tourism**

Mayor Harless spoke on the factors the city takes into account when deciding what projects to undertake for tourism purposes.

In response to questions from Senator Clark, Mayor Harless stated that Paducah's Artist Relocation Program (ARP) began in 2001, and there are only a few properties still available. Mayor Harless said that the ARP allowed any artist to purchase a home in Lower Town for \$1 if the home will be repaired and revitalized. Ms. Hammond said there galleries, studios, and an art school in the rejuvenated Lower Town Arts District.

In response to questions from Chair York, Ms. Hammond said that Public Private Partnerships (P3s) have been instrumental in bringing venues like the Luther Carson Performing Arts Center to Paducah.

### **Overview of Processes that Address Blighted Areas and Transformation toward an Artist Community**

Ms. Tracy presented a video demonstrating how Paducah's Lower Town was transformed from a rundown area to a thriving artistic community.

### **Overview of Tourism Industry Impacts to Entrepreneurial Businesses and Companies**

Mr. Phillips spoke on the impact of tourism on local economies.

In response to questions from Senator Clark, Mr. Phillips said that, for every \$1 Kentucky spends on tourism advertising, \$150 comes back into the economy. The one percent restaurant tax that fourth and fifth class cities are allowed to levy for tourism purposes generates about \$12 million per year. Mr. Phillips stated that he and his organization were not able to support recently proposed legislation that would give larger cities like Paducah the ability to levy the restaurant tax. Mr. Phillips stated that the Kentucky Travel Industry Association is very interested in discussions on the topic of expanded restaurant tax.

There being no further business, the meeting was adjourned at 12:06 PM.