

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

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

### **Minutes of the 1st Meeting of the 2021 Interim**

**June 2, 2021**

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

The 1st meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, June 2, 2021, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matt Castlen, Co-Chair; Representative Lynn Bechler, Co-Chair; Senators Morgan McGarvey, and Wil Schroder; Representatives Al Gentry, David Hale, Nima Kulkarni, Savannah Maddox, Bart Rowland, and Russell Webber.

Guests: Mike Berry, Secretary, Tourism, Arts, and Heritage Cabinet; Russ Meyer, Commissioner, Department of Parks; Hank Phillips, President and CEO, Kentucky Travel Industry Association; Karen Williams, President and CEO, Louisville Tourism; Claude Bacon, Vice President of Sales, Marketing, and Ecommerce, LinGate Hospitality; Mary Quinn Ramer, President and CEO, VisitLex.

LRC Staff: Sara Rome, Kevin Newton, Joseph Holt, and Amie Elam.

Representatives from the Tourism, Arts and Heritage Cabinet, and Kentucky Travel and Tourism Agencies spoke to the committee about the impact of COVID-19 on Kentucky Tourism and plans for the future. Topics discussed included marketing, expanding broadband in state parks, and extended unemployment benefits.

#### **Tourism, Arts, and Heritage Cabinet**

In response to questions by Chair Bechler, Mr. Berry said that hotel/motel occupancy was down greater than ten percent during the pandemic. Mike Mangeot, Commissioner, Kentucky Department of Tourism, added that revenue impact figures were in the process of being compiled. He said early estimates are in the \$2-3 billion range.

In response to a question by Representative Webber, Mr. Berry stated that Kentucky was given \$5 million in CARES Act funding for marketing the state as a tourist destination. He said an additional \$2.8 million was provided for recovery assistance and marketing of specific regions of the commonwealth. He added that Kentucky ranks 30<sup>th</sup> in spending for advertising and tourism.

In response to a question by Chair Bechler, Mr. Berry said the number of jobs generated is not an all-inclusive number. He said the number comes from industries that draw revenues primarily from tourism and travel. Mr. Meyer said that expanding broadband access is a budget priority for the Department of Parks. He added that getting infrastructure services into remote areas where state parks are located is difficult and costly, but progress is being made.

### **Kentucky Travel and Tourism Agencies**

In response to a question by Representative Gentry, Ms. Williams said iconic attractions and industries in Louisville are major draws for tourists. She added that the product and infrastructure are in place, but the commonwealth is desperate for the ability to advertise them. She said, with an aggressive marketing plan, Louisville can be competitive. Ms. Ramer said that Lexington is a charming mid-sized city that cannot be missed. She highlighted the equine and bourbon industries and the growing university town vibe. Mr. Phillips added that the struggle has always been to communicate and raise public awareness about what Kentucky has to offer visitors. Mr. Bacon mentioned that Rolling Stone magazine mentioned Owensboro as one of seven must-visit music cities. He listed a vibrant culinary scene, a redeveloped riverfront, and Green River Distillery among the major draws to Owensboro's visitors.

In response to a question by Representative Webber, Ms. Williams said the tourism industry is taking cues from Governor Beshear on COVID-19 restrictions.

In response to questions by Chair Bechler, Mr. Bacon said that extended unemployment benefits have certainly had an impact on the hospitality and tourism industries. Ms. Williams stated that no businesses permanently closed in Louisville due to social unrest.

There being no further business to come before the subcommittee, the meeting adjourned at 10:35 a.m.