

INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY

Minutes of the 5th Meeting of the 2018 Interim

October 19, 2018

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Friday, October 19, 2018, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Tommy Turner, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Alice Forgy Kerr, Co-Chair; Representatives Tommy Turner, Co-Chair; Senators Perry B. Clark, Rick Girdler, Denise Harper Angel, Ernie Harris, Stephen Meredith, Reginald Thomas, and Mike Wilson; Representatives Linda Belcher, John Blanton, Larry Brown, John Carney, Jeffery Donohue, Chris Fugate, Robert Goforth, Jim Gooch Jr., David Hale, Angie Hatton, Richard Heath, Kim King, Michael Meredith, Russ A. Meyer, Charles Miller, Brandon Reed, John Sims Jr, and Kevin Sinnette.

Guests: Don Parkinson, Secretary, Tourism, Arts and Heritage Cabinet; Regina Stivers, Deputy Secretary, Tourism, Arts and Heritage Cabinet; Donnie Holland, Parks Commissioner, Department of Parks; Stacey Church, General Manager, Kentucky International Convention Center; Frank Jemley, Acting Commissioner, Kentucky Department of Fish & Wildlife Resources; C. Tom Bennett, Kentucky Civil War Sites Association; Adam Gillenwater, American Battlefield Trust; Joni House, Kentucky Civil War Sites Association President and Manager of Perryville Battlefield State Historic Site.

LRC Staff: Andrew Manno, Chip Smith, Candice Smith, and Emma Mills.

Approval of Minutes

Representative Donohue made a motion to approve the minutes of the August 16th, 2018 meeting of the Interim Joint Committee on Tourism, Small Business and Information Technology, seconded by Representative King. The motion passed by voice vote.

Representative Reed made a motion to approve the minutes of the September 20th, 2018 meeting of the Interim Joint Committee on Tourism, Small Business and Information Technology, seconded by Representative Donohue. The motion passed by voice vote.

Update from the Tourism, Arts, and Heritage Cabinet Department of Parks:

The Secretary Don Parkinson of the Tourism, Arts, and Heritage Cabinet thanked the committee for providing the opportunity to update legislators on current cabinet projects. Secretary Parkinson also thanked the legislators for providing \$38 million in funding over the last two budget cycles and introduced the new chairman of Kentucky Department of Fish & Wildlife Resources Commission, Rich Storm.

Donnie Holland, Parks Commissioner, Department of Parks, testified about Kentucky State Parks. The parks employ 780 people, with employment numbers reaching around 1,500 during summer months. In addition, Kentucky State Parks topped a \$1 billion economic impact on the state for the first time last year, increasing from \$840 million in 2013. While room sales have increased over the last few years, there is still a significant deferred maintenance cost for the department. To address this problem, the Department of Parks has been partnering with some local communities to help with the maintenance of some smaller parks or facilities. Partnering with local communities is not a new practice for the department. Local governments are better suited to remedy some of the problems with local parks. Commissioner Holland provided the examples of Constitution Square Historic Site in Danville, Ben Hawes State Park in Owensboro, the amphitheater at Jenny Wylie State Park, My Old Kentucky Home theatre and the Lake Malone marina. There are multiple communities interested in providing support for state parks or facilities for the betterment of the community.

Commissioner Holland said that the parks will have an altered winter schedule this year. The new schedule is an attempt to avoid some of the financial losses to the park system that were incurred last winter. Commissioner Holland pointed to some particularly harsh weather last year that forced the parks to re-evaluate their winter schedules. Parks will reopen if a large group or party is interested in using the facilities. Full time employees will remain on the job to attend to upkeep. Camping will be available throughout the winter.

In response to questions from Representative King, Jean Bird, Executive Assistant for the cabinet, discussed the difference between transferring the deed of a state park to a local community versus the leasing of a park or park facilities to local communities. Some communities are not prepared to take on the long term commitment of a deed to a park. To address an additional question from Representative King, Commissioner Holland acknowledged that the Department of Parks provides accommodations to people evacuated from coastal areas due to recent hurricanes.

Responding to a question from Representative Donohue, Commissioner Holland said that room sales have increased due to the cabinet's partnership with Expedia, which resulted in almost a seven percent increase in sales. In addition, funds allocated to the cabinet from the legislature for needed maintenance on the parks and a change in the quality of the food at the parks has had a positive impact on the image of the park system.

Responding to a question from Representative Blanton, Commissioner Holland discussed the Dawkins Trail project, which the cabinet is working on with the Transportation Cabinet. There are some issues that continue with flooding and wash-outs of the trail. Further decisions regarding the trail are pending a Transportation Cabinet study regarding usage of the trail.

Answering an additional question from Representative Blanton about why local communities can make repairs or improvements to parks or facilities for less cost than the state, Commissioner Holland said it may be due to the cautious nature of state procurement rules. There are a lot of steps for state agencies to go through in order to procure services and goods, whereas city or county governments have fewer steps to go through to get projects completed.

In response to a question from Representative Goforth, Commissioner Holland indicated there is no list of parks or facilities intending to be turned over to local governments. The transfer or lease of a state park to a local government typically at the request of individual cities or county entities who are interested in the park or facility for a specific reason. Commissioner Holland gave the example of the stage at My Old Kentucky Home State Park, which was leased to the county for county use, but the park deed itself still resides with the Department of Parks. Parks that are turned over to a city will receive no additional maintenance funding from the state once the transfer is complete. As far as protecting parks transferred to local entities from being developed for other uses, Ms. Bird said historic preservation and conservation easements on the properties will have conditions in the transferring documents that require that the properties be run as parks, otherwise they will automatically revert back to the state.

Representative Larry Brown conveyed his appreciation for Tourism, Arts, and Heritage Cabinet for working with the city of Prestonsburg to allow for the reconstruction of the amphitheater and swimming pool area at Jenny Wiley State Park.

Responding to a question from Senator Meredith, Commission Holland said the Department of Parks is about \$3 million ahead of where it was last year, though room sales are down a bit. The long-term strategic plan is to get to the point where the state can maintain and manage the state parks with professionals in the hotel industry to keep costs under control. Secretary Parkinson noted the park system has \$242 million in deferred maintenance on the park system and said it would take a huge investment into the parks if the state wants to be competitive in the hotel industry.

Senator Harper-Angel urged the committee to consider allocating funds for the park system from revenue generated by legalized gaming if the General Assembly were to legalize gaming in the future.

In response to a question from Senator Kerr, Commissioner Holland discussed in depth about local community's support in rebuilding the dock at Lake Malone. The dock began to disintegrate during the winter of 2015, was beyond additional maintenance and had to be condemned by the state. The Department of Parks did not have the funds to replace the dock, so The Friends of Lake Malone State Park partnered with the Kentucky State Parks Foundation and the Felix Martin Foundation to donate the funds needed to replace the dock.

Responding to a question from Representative Carney regarding Green River State Park, Commissioner Holland confirmed the campground sites that had been renovated are still being well utilized throughout the winter months.

Representative Fugate expressed his appreciation for the Department of Parks working to develop tourism in Eastern Kentucky and for the effort put into Kingdom Come State Park and Buckhorn State Park in his district.

In response to a question from Senator Meredith regarding Public/Private Partnerships, Commission Holland acknowledged that Public/Private Partnerships would be a viable alternative for revenue. While the Department of Parks has received unsolicited offers from private entities, the minimum terms of any such agreement would protect the integrity of the park. The department would never give title on a park over to a private partner. The department has not had the opportunity to enter into that type of partnership.

Kentucky International Convention Center

Stacey Church, General Manager of the Kentucky International Convention Center, talked about updates to the Kentucky International Convention center. The center was expanded to a 200,000 square foot exhibit hall. Ms. Church believes this expansion has allowed for larger, higher quality business coming to the center. The expansion also allowed for a larger ballroom and 52 renovated meeting rooms. The convention center is also pursuing a silver LEED Certification to show the center embarked on several green initiatives in order to operate the building as efficiently as possible.

The Convention Center reopened on August 6th, 2018, with its first group of 3,000 attendees coming to the center August 7th. For the fiscal year, Ms. Church says the center is on pace to meet their target of 100 events and the center is on budget to net almost \$2,000,000.

Responding to a question from Representative Carney, Ms. Church talked about some of the security measures in the center, such as 24 hour security, cameras throughout the facility, and strict adherence to building hours. The center also provides individual risk assessments specific to each show utilizing the space.

Representative King commented on her experience in the renovated convention center and how impressed she was with the renovations and the technology now available to the groups using the convention center.

In response to a question from Senator Thomas, Ms. Church detailed the size and layout of the Convention Center. The center is almost 1,000,000 square feet, 52 meeting rooms, a 40,000 square foot ballroom divisible into five rooms, 200,000 square feet of exhibit hall space and three individual boardrooms.

Kentucky Department of Fish and Wildlife Resources

Acting Commissioner Frank Jemley discussed recent changes to the department and introduced Rich Storm, recently named Chairman of Kentucky Department of Fish and Wildlife Resources Commission. Mr. Storm encouraged committee members to feel free to reach out if issues arise.

Mr. Jemley talked about a new initiative in the department, which is to conduct a top to bottom review of the agency in order to build a new strategic plan. The department wants to insure Kentucky Department of Fish and Wildlife Resources Commission continues to be a world class wildlife management and conservation agency that Kentuckians deserve. The goal is to be open, responsive and accountable to Kentuckians. This will be the first strategic plan review in six years for the department. Commissioner Jemley believes the review will be complete in January. Chairman Turner thanked Commissioner Jemley for his hard work.

Responding to a question from Representative King, Commissioner Jemley said the review will be open to the public. Commissioner Jemley said there will be a schedule forthcoming that he will share with the committee once it is available. Commissioner Jemley also confirmed that the state subsidy for Asian Carp fisherman is \$0.05 per pound.

In response to a question from Representative Meredith regarding grading standards for Asian Carp processors, Commissioner Jemley indicated that the department hopes the market will solve the problem of fish processors accepting only certain sizes of Asian Carp from commercial fisherman. Governor Bevin announced a contract last week for the building of the first fish house, which the department hopes will establish a market in Kentucky for Asian Carp. The fish house will conduct an online daily auction to an international audience for catches brought in by the commercial fisherman. The fish house will also be obligated to provide transportation. In addition, the Department of Fish and Wildlife is providing free ice to fisherman to preserve their catch until they can get to a processor that will take the catch. The new fish house is also a Public/Private Partnership and is the only fish house between Louisiana and Canada.

Kentucky Civil War Sites

Tom Bennett of the American Battlefield Trust and Kentucky Civil War Sites Association, introduced Joni House, Kentucky Civil War Sites Association President and Manager of Perryville Battlefield State Historic Site. Ms. House discussed Kentucky military history sites. In 2016, the Kentucky Civil War Sites Association applied for a grant from the American Battlefield Protection Program, a federal program charged with preserving national battlefields. As part of the grant application, the Kentucky Civil War Sites Association conducted a survey of tourism to Kentucky's battlefields to establish the usage of current battlefield sites. Out-of-state tourists spent \$7.1 million at Kentucky battlefields. Visitors responding to the survey indicated they would spend about \$10 million within battlefield communities. The battlefield sites generated \$1.1 million in local and state tax revenue from out-of-state visitors. Visitors to the sites came from 43 states and 5 different countries within the six week period of the survey. Ms. House advocated for the continued stewardship and preservation of Kentucky's battlefield sites.

Adam Gillenwater, with the American Battlefield Trust, discussed the mission of the American Battlefield Trust. It is the nation's largest non-profit battlefield preservation organization. The trust focuses on three things: land preservation, public education about the conflicts, and advocating for battlefields. Kentucky has eleven Civil War battlefields and seven Revolutionary War battlefields recognized by the federal government. The trust has successfully advocated for 2,500 acres and five battlefields in Kentucky.

The American Battlefield Trust has established a five step process for determining land worth preserving, the first step of which is to determine if a parcel of land lies on a historically important battlefield. Congress commissioned reports as part of the American Battlefield Protection Program ranking Civil War, Revolutionary War, and War of 1812 battlefields by their preservation priority and historic significance. This program also gives grants for the acquisition of land and easements on identified battlefield sites. The trust utilizes the federal grants to acquire and preserve historically significant battlefields.

The next step for the American Battlefield Trust is to create a core study and troop movement maps. These maps focus on core location of a battle along with troop movements in and around the battlefield based on historic accounts.

The trust works to develop long standing relationships with landowners whose property overlaps with known battlefields. The trust does not use eminent domain laws to acquire land for preservation; all land is sold willingly to the organization. If it is not possible to acquire land, the trust establishes preservation easements to prevent future development on the land.

About half the funding for the American Battlefield Trust land acquisition comes from private sector donations. The rest of the funding comes from public sources, both state and federal, and other partner organizations, such as the Kentucky Heritage Land Conservation Fund.

The final step in the process is land disposition. The trust's main mission is land preservation, not necessarily land management. When the American Battlefield Trust acquires a parcel of land, the trust determines a responsible third party steward to maintain the property and opens it to the public.

Mr. Gillenwater discussed two of the main benefits of preserving battlefield land, which are educating future generations and preserving hallowed ground around the country. The trust has implemented several educational programs to engage people in the history of a battlefield, including Battle Apps, downloadable interactive programs designed for numerous battlefields. The trust also has travel itineraries available for download from their website. In addition, these battlefields also serve as military training locations. Military instructors go to battlefield sites to study the tactics utilized based on the lay of the land.

Mr. Gillenwater emphasized the importance of preserving these battlefield sites and moving quickly to preserve them. Battlefield land is being threatened by increased population growth and development, but also housing and land prices are rising, making it more expensive to preserve the land. Out of 67,000 acres identified as battlefield land in Kentucky, only a quarter of the land would retain enough integrity to be listed on the National Register of Historic Places. Mr. Gillenwater showed slides of the trusts' work on four battlefields: Mumfordsville Battlefield, Richmond Battlefield, Mill Springs Battlefield, and Perryville Battlefield. The trust still owns portions of these battlefields, which it would like to eventually transfer to the Commonwealth of Kentucky.

Mr. Gillenwater discussed other state preservation funds, such as the Virginia Battlefield Preservation Fund and the Tennessee Civil War or War Between the States Site Preservation Fund, and the impact they have had on their respective battlefields.

Senator Girdler commented on how Mill Springs and Perryville Battlefields is a great draw to his district and declared his support for Ms. House and preserving Kentucky's battlefields.

In response to a question from Senator Meredith regarding the recent controversy over Civil War statues, Mr. Gillenwater indicated the American Battlefield Trust had been approached in the past about relocating statues to preserved battlefields, but as of yet the trust has had to decline the offers due to their sole mission being on land preservations. In many of the easement grant funds the trust receives from the federal government, there are restrictions preventing any kind of development, even including a base on which to place a statue or monument. He also noted to great expense of moving the statues in question. But the trust does remain a resource for communities having to grapple with these issues. Joni House noted that several organizations partnering with Perryville and other state

battleground sites may be open to receiving Civil War statues or monuments, but money is always an issue.

Responding to a question from Representative Goforth regarding the preservation of Camp Wildcat in his district, Mr. Bennett confirmed he had been in contact with someone regarding the situation.

In response to a question from Representative Blanton, Mr. Gillenwater indicated the trust has an education department that can aid in the genealogical research of descendants looking for information about important figures in American military history.

Upcoming Committee Meetings

The next meeting of the committee will be November 15th in Room 154 of the Capitol Annex at 1:45 p.m. There will be a tour of Commonwealth Office of Technology at 1:00 p.m.

There being no further business, the meeting was adjourned at 3:01 p.m.