

MINUTES

**State Parks, Recreation & Travel Commission
Diamond Discovery Center
Crater of Diamonds State Park
Murfreesboro, Arkansas
June 15-16, 2006**

Commissioners Present

Jim Shamburger, Chairman	Jay Bunyard, Vice Chairman
Bill Barnes, Thursday only	Wade Williams
Debbie Haak	Billy Lindsey, Thursday only
Steve Arrison, Thursday only	Montine McNulty, Thursday only
Mike Mills, Thursday only	Jim Gaston
Ness Sechrest	Bob Knight, Thursday only
Danny Ford, Thursday only	

Commissioners Absent

Jane Christenson, Family Illness

Department Staff Present

Richard W. Davies, Executive Director
Larry Cargile, Central Administration Director
Greg Butts, State Parks Director
Joe David Rice, Tourism Director
Nancy Clark, Assistant Tourism Director
Mac Balkman, Manager, Operations
Stan Graves, Manager, Planning & Development
Joe Jacobs, Manager, Marketing & Revenue
Joan Ellison, Public Information Officer
Donna Perrin, Manager, Tourism Development
Jana Greenbaum, Communications Manager
Tony Perrin, Region II Supervisor
Marcel Hanzlik, Region III Supervisor
Jim Cannon, Region IV Supervisor
Tom Stolarz, Superintendent, Crater of Diamonds State Park
Aneesah Rasheed, Interpreter, Crater of Diamonds State Park
Bill Henderson, Asst. Superintendent, Crater of Diamonds State Park
Matt Briley, Ranger, Crater of Diamonds State Park
Gloria Robins, Executive Assistant
Sandy Burch, Administrative Assistant
Tammy Erby, Administrative Assistant

Agency Staff Present

Shelby Woods Wayne Woods Karen Mullikin
Bill Fitzgerald Greg Harrison

Aristotle

Marla Johnson Norris Jonathan Eudy

Guests Present

Blair Cromwell, Bentonville A&P
Lawrence Graves, *Murfreesboro Diamond*
Ross Moore, Greens Ferry-Little Red River Regional Association
James O'Neal, Mayor of Murfreesboro
Jane Terrell, Murfreesboro
Mary Smith, KArB Commission, Murfreesboro
Bob Wright, Crews & Associates
Sara Richardson, Super Lift Off Road Vehicle Park, Hot Springs
Tracy Horne, Governor's Office
Representative Dewayne Mack, Kirby

Call to Order

Chairman Shamburger called the meeting to order at 8:30 a.m. and Gloria Robins called the roll.

Approval of the Agenda

Bill Barnes moved to approve the agenda. Debbie Haak seconded and the motion carried.

Presentation of Minutes from Previous Meeting

Wade Williams moved to approve the minutes. Mike Mills seconded and the motion carried.

Recognition of Guests

Chairman Shamburger recognized guests in attendance. Tom Stolarz, Superintendent, Crater of Diamonds State Park welcomed everyone to the park and introduced the park staff.

Financial Report

Larry Cargile presented a fiscal-year-to-date financial report for the period ended May 31, 2006. The expenditures were: Parks Division, \$58,206,389, including construction and grants; Tourism Division, \$12,190,206; Keep Arkansas Beautiful, \$332,008; Administration Division, \$2,353,366; and History Commission, \$1,345,199. Expenditures for the Department totaled \$74,427,168. The Parks Division operating revenue totaled \$13,658,264 an increase of 9% over the same period last fiscal year.

**Ness Sechrest moved to approve the Financial Report as presented.
Debbie Haak seconded and the motion carried.**

EXECUTIVE DIRECTOR'S REPORT

Staff Appreciation Dinner – Lake Dardanelle State Park - July Meeting

Richard Davies said the annual Staff Appreciation Dinner will be held on Thursday, July 20, 2006 at Lake Dardanelle State Park. Mr. Davies asked if the Commission was agreeable to sponsor the dinner again this year.

Ness Sechrest moved to approve Commission sponsorship of the Staff Appreciation Dinner at Lake Dardanelle State Park on July 20, 2006. Billy Lindsey seconded and the motion carried.

U.S. Marshall Museum – Washington Trip

Richard Davies said on June 26-28 the entire Arkansas Congressional delegation, representatives from the City of Ft. Smith and himself will meet with the U.S. Marshall's Service in Washington D.C. to lobby for the placement of the U.S Marshall's Museum to be located in Ft. Smith. The sites in contention for the museum are Ft. Smith, Staunton, VA, Hollywood, CA and a city in Wyoming, but the Ft. Smith contingent has not been able to learn which one.

Debbie Haak moved to authorize a resolution in support of the U.S. Marshall's Service selecting Ft. Smith, Arkansas as the site of the U.S. Marshall's Museum. Jim Gaston seconded and the motion carried.

Regulation 2 for Extraordinary Resource Waters Resolution

Richard Davies said Regulation 2 for Extraordinary Resource Waters is becoming a very contentious subject. It deals with how an extraordinary resource water, which is the highest level for water quality in Arkansas, can be used for a water supply. And the question becomes; can it be done without causing harm to the body of water. Mr. Davies said he has asked, with SPRTC

approval, for a representative from the Department of Environmental Quality (DEQ) to attend the July meeting to explain the regulation. DEQ is not against water being supplied, it is about how that is accomplished. Chairman Shamburger asked that a DEQ representative attend the July meeting.

SuperLift Off Road Vehicle Park

Richard Davies said Steve Arrison had requested that Sarah Richardson attend the meeting to report on SuperLift Off-Road Vehicle Park in Hot Springs. Mr. Arrison said they are seeing more and more of an impact in the Hot Springs area by off-road enthusiasts who are going to the SuperLift Off Road Vehicle Park (SORVP). Ms. Richardson said off-roading began in the late 1970's with people riding logging roads and utility company right-of-ways and over the years the unofficial trail system grew. In 1999, landowners closed access to the area and put the property up for sale. In 2001, fourteen (14) investors purchased the acreage with the intent of developing the nation's premiere off-roading destination, while preserving the land's natural beauty. The Park includes the majority of the original trail system and new trails and obstacles with varying degrees of difficulty continuously being developed. All trails are mapped and posted with difficulty ratings for the various vehicle types a guest may drive. The 1,254 acre park features RV campsites with electric and water hook-ups, primitive tent camping sites, a bathhouse, convenience store, a pavilion for group events, and ATV rentals. Area businesses have reported a spike in business on weekends by off-road vehicle enthusiasts. Ms. Richardson said the park pulls in a lot of out-of-state visitors. Plans are underway to add cabins and more trails. Park business grew 40% over last year.

Bill Barnes asked how many campsites were in the park. Ms. Richardson said 25 with some improvements and 15 RV sites with water and electric. Jim Shamburger asked about the parks "kids' zone." Ms. Richardson said it is an area set up similar to a miniature motor-cross track where parents can monitor how their children ride and if they follow instructions. Jay Bunyard asked about the ATV rentals. Ms. Richardson said it was \$32.50/hr. Ness Sechrest asked how liability insurance was handled. Ms. Richardson said the park has liability coverage and everyone who rides at the park signs a waiver not to hold the park responsible in the event of an accident. Jim Gaston said he has watched the sport grow. At Moab this year there were about 5,000 jeeps off-roading along with a large number of vendors. Mr. Gaston said when we are photographing activities in Arkansas; off-roading needs to be included.

Miscellaneous

Richard Davies narrated a short program of photos taken during the dedication ceremony of the new lodge and cabins at Mt. Magazine State Park.

Richard Davies said the State Geologist, Becky White, and the Director of the Oil & Gas Commission gave a presentation to the Governor's Cabinet on the Fayetteville shale gas deposit which is making big news across the state. It starts near Fayetteville and goes down to Helena. Property is being leased from between \$150 to \$470 per acre with 1/8 royalty. Arkansas stands to gain \$200 to \$300 million in leases, not counting production. One company has hired 200-300 employees in Conway. Mr. Davies explained the various drilling processes that will be used to extract the gas. Ness Sechrest asked if there was anything in production yet. Mr. Davies said currently there are three wells.

Mr. Davies announced that the Geology Commission is going to do a geologic mapping of every state park. Mr. Davies gave Greg Butts a copy of the first map of Mt. Magazine State Park.

Jim Gaston moved to approve a letter of appreciation to the Geology Commission for their efforts in the production of geologic maps of each Arkansas's parks. Bill Barnes seconded and the motion carried.

PARKS DIVISION

Village Creek State Park

a) Village Creek Resort, LLC – Financing Update

Greg Butts said the Commissioners had asked for an update on the financing for Village Creek Resort project (VCR). Mr. Butts introduced Bob Wright with Crews and Associates, underwriters for the proposed bond issue. Mr. Wright will provide an overview of the bond program he has been working on for the last several months.

Mr. Wright said, though he has never dealt with a project that could not be financed, VCR is a very difficult project. There have been multiple conversations with representatives of capital markets, various investors and institutional buyers. Arkansas State University did a very detailed analysis of the project that resulted in a very good report. That report was used in marketing efforts. Since ASP sent out requests for the RFP-RFQ for the project, the capital market has had some changes. Two similar projects had bond issues go into default – one in Maryland and one in West Virginia. The reason the West Virginia project failed is because it was built too small. There were not enough rooms to produce revenue. Capital markets are viewing VCR as the same of situation and are unwilling to accept this type of project without a foreclosable mortgage.

Wade Williams said there is the perception that there is no state money in the project. There is \$7 million in state money going into the golf course. Why is that not being taken into consideration? Mr. Wright said the perception is that the golf course was planned for years and

was going to be constructed with or without a lodge. To prove the point, the golf course is under construction and the lodge is not. The state is not going to be at risk whether the project happens or not. Jim Gaston said his concern is what happens if VCR defaults. Mr. Wright said what he has been hearing from potential investors, they are not interested because the project would be an unsecured investment. Mr. Gaston said he wants to protect state parks. In order to protect state parks, he would have to advocate things that would drive him away as a potential investor. Ness Sechrest asked if VCR LLC had invested any money in the project. Mr. Wright said the underwriting criteria is that the developer has to have equity in a project. As this project originated, it was viewed that the equity in the project was the \$7 million investment from the state for the golf course. Mr. Sechrest said that is not VCR's equity. Mr. Wright said that was correct. The financial strength Brandt Enderle brings to the table are other projects; mainly Carter Plantation in Louisiana. According to GAP standards, he does not have net value in the company. However, according to appraisals on Carter Plantation, it shows more than \$30 million available on a complete sell-out. Mr. Williams asked why VCR won't mortgage that property to take care of the financing issue. Mr. Wright said Mr. Enderle can't mortgage the actual land at Carter Plantation because of the way it was structured. But he has pledged his ownership of JBS Holdings which owns 90% of Carter Plantation – basically his stock. Mr. Wright said he has told Mr. Enderle the bonds won't be sold unless he puts \$2 to \$4 million into VCR. Richard Davies said that is exactly what Mac Dodson with Arkansas Development Finance Authority (ADFA) said.

Mr. Wright said the hurdle that can't be gotten over is that the state does not have any risk in the project. The perception is that if something were to happen, the state would own the facility without any outlay. Mr. Gaston asked how much equity Mr. Enderle has in Carter Plantation. Mr. Wright said he did not know. Another thing that could help would be if ADPT pledged that it would cover any shortfalls during construction of the hotel, etc. Then the markets would see that ADPT would keep the project progressing. Debbie Haak asked why Mr. Enderle is needing to go to the bankers in Wynne because he should have a history with the banks in Louisiana. Mr. Williams said it was the local community that came to the Commission about the project and they should support it. Mr. Gaston said if Mr. Enderle has \$30 million in value at Carter Plantation; putting \$3-\$4 million into VCR should not be a problem. Bill Barnes said we have an obligation with the residents in Cross County to try to go forward with this project with people who have the resources to do it – who can bring some equity into it. Greg Butts said Mr. Enderle hopes to have some decisions made by July regarding the other banking institutions. It will be up to VCR to cancel the agreements within the time periods established in the agreements. Mr. Davies said Mr. Enderle has told others, including ADFA, that if he could not get financing for the lodge facility, he still had an agreement on the golf course. The question is does default on the lodge project mean he defaults on the management agreement on the golf course. Is construction of the golf course maintenance building cause Mr. Enderle not to be in default. Mr. Sechrest said he felt the Commission needed a legal opinion on that point. Mr. Butts said the agreement states that if Mr. Enderle has not secured financing or started construction on the hotel and other facilities by Jan. 24, 2007 then he is in default. That would

cause the Development Services Agreement and the Management Agreement to be in default. Mr. Enderle said he plans to open the golf course the summer of 2007 without a lodge and club house. Mr. Barnes said we have honored our commitment to the residents of Cross County by showing them we are behind the project. We need to find a development group that can do this project with equity on their part. Mr. Wright said Wellington was the only respondent to RFP-RFQ because it was an equity-up-front project (the state is putting \$7 million into the golf course). ADPT would face that same issue again. Mr. Williams said the difference next time is that there would already be a golf course in place. Mr. Williams asked if it was realistic to expect the golf course to open the summer of 2007. Stan Graves said 18 holes are well underway and the contractor is getting close to putting in the irrigation system. It may be realistic to start sprigging and sodding in September. Mr. Butts said it will be difficult to open next summer because a full growing season is needed and that won't happen. Mr. Davies said he felt that Mr. Enderle may think if he constructs the maintenance building he won't be in default and he would operate the golf course. Mr. Butts said he has to have financing in place and have started construction of the ground lease improvements by January 24, 2007. Until we get to that date, we don't have a basis to call VCR in default. Mr. Davies said the only thing we can do to move the project forward is to put our funds into it. Billy Lindsey said the local community fought very hard to bring the project this far. If there is that much belief in the project at the local level, why won't the local banks work with VCR on the financing? Mr. Gaston said the amount needed may be over their limits. Debbie Haak said she had talked with one of the local bankers who told her that no one in the area is willing to back the project. They want the project but don't want to finance it. Mr. Graves said Mr. Enderle said he expects to open the golf course the summer of 2007 with a temporary club house.

b) Amendment to Development Services Agreement (DSA)

Greg Butts said the area that had been originally planned for the construction of the golf course maintenance facility is not adequate – there is not enough level ground. The original site is a steep hollow and it would take an extensive amount of fill to construct the building. Stan Graves said VCR is asking to add an additional 3.67 acres to the agreement to accommodate the maintenance facility. The access would then come through the park rather than through VCR's area - VCR employees and all deliveries could come in through the park.

Jim Gaston moved to approve an amendment to the Development Services Agreement at Village Creek State Park for the addition of a 3.67 acre tract for the construction of the golf course maintenance facility. Montine McNulty seconded the motion.

Wade Williams said it may be VCR's intent that if they build the maintenance facility, they have complied with all the agreements and can operate the golf course. Mr. Williams said we need to seek an attorney's opinion on whether or not construction of the maintenance building and golf course water supply lines would keep VCR from being in default of the Ground Lease and Development Services Agreement.

Jim Gaston withdrew the motion.

Wade Williams moved to table making a decision on the request by VCR to amend the Development Services Agreement and the Ground Lease Agreement until we get an opinion from our attorney on the impact of constructing the maintenance facility and water supply line. Ness Sechrest seconded and the motion carried.

Lake Dardanelle State Park - Removal from Inventory

Stan Graves said the miniature golf course includes two small structures and the course and structures are deteriorated. The course is no longer in use. Mr. Graves requested approval to remove the facilities from inventory.

Danny Ford moved to approve removal from inventory at Lake Dardanelle State Park the following deteriorated structures: miniature golf course (AASIS #110005234), caddy shack (AASIS #120001486 and storage building (AASIS #120002147). Jim Gaston seconded and the motion carried.

Crowley's Ridge State Park - Proposed Acquisition of Davenport Property

Stan Graves said there is a property adjacent to the park that includes a 1,500 square foot brick structure with an attached double garage, and a former "Freeze King" that was converted to a 1,100 square foot two-bedroom residence. With the need for additional housing at the park, the brick residence can be used by a full-time ranger serving both Lake Frierson and Crowley's Ridge State Parks. The smaller residence can be used for a seasonal Interpreter or Force Account staff when they are working in the area, and would reduce travel costs. The asking price for the two acres and both structures is \$109,600.

Danny Ford moved to approved acquiring the Davenport property at Crowley's Ridge State Park at appraised value or for the asking price of \$109,600, whichever is less (Pt. of the N ½, SW ¼, Sec 4, T16N, R4E, Greene County, approximately 3.0 acres more or less). Jim Gaston seconded and the motion carried.

Hobbs State Park-Conservation Area - Proposed Acquisition of Redfore/Bredehoeft Property

Stan Graves said a critical acquisition is an 80-acre parcel that borders Highway 12 and is planned to accommodate a trail head in the multi-use trail system. In November, 2005, the fair market appraisal for the property was \$2,650 per acre with a total value of \$212,000. In December, 2005, an offer to acquire the property for \$212,000 was rejected. On May 3, 2006, the owner submitted a second appraisal that valued the property at \$3,125 per acre with a total value of \$250,000. On May 26, 2006 the property owners said they would sell the property for that amount. Mr. Graves requested approval to acquire the property for \$250,000 which is 17.9% above the ASP appraised value.

Mike Mills moved to approve acquiring the Redfore/Bredehoeft property at Hobbs State Park-Conservation Area for \$250,000 (the west half of the southwest quarter (W ½, SW ¼) section 25, Township 19 north, range 28 west, Benton County Arkansas, containing 80 acres more or less). Ness Sechrest seconded and the motion carried.

Pinnacle Mountain State Park

Stan Graves said in 2003 the Stuckey property was acquired. Two bodies of water, Nowlin Creek and the Little Maumelle River merge together between the two Stuckey parcels which presented the challenge of connecting the two tracts of land. ASP has identified a small parcel of land that will enable the park to install one bridge to access the majority of the previously acquired Stuckey property. The property owners have agreed to sell a 4.25 acre parcel for the appraised value of \$32,000. Mr. Graves requested approval for the acquisition.

Jay Bunyard moved to approve acquisition of the H. Young property at Pinnacle Mountain State Park for the appraised value of \$32,000 (Pt. of the E ½, E ½, NW ¼, SE ¼, Sec 4, T2N, R14W, Pulaski County, approximately 4.25 acres more or less). Ness Sechrest seconded and the motion carried.

Mt. Magazine State Park - The Lodge at Mt. Magazine

a) 2006 Television Spot

Joan Ellison said ground film and shots of the lodge and cabins at Mt. Magazine had been done and aerial shots are scheduled for the following week. Filming had had been delayed because of bad weather and waiting for the sod and landscape to green-up. Ms. Ellison said because of that she did not have a finished television spot for review by

the Commission and won't have it for them until the July meeting. Ms. Ellison asked approval to proceed with production of the television spot so it could start airing.

Jim Gaston moved to approve the television spot for Mt. Magazine State Park lodge and cabins prior to review by the Commission. Bill Barnes seconded and the motion carried.

b) Management Agreement

Greg Butts said the draft management agreement has been prepared that will provide authority from Skycrest, Inc. to Mt. Magazine State Park. The agreement will allow the sale of alcoholic beverages. There is another agreement between ADPT and the non-profit organization for a private club license. By management contract, the non-profit gives back to ADPT the rights to run the banquet facility and restaurant to include the sale of alcoholic beverages. Greg Butts requested approval of the agreement subject to final approval of the Attorney General's office.

Jim Gaston moved to approve the Department entering into a Management Agreement with Skycrest, Inc. for the sale of alcoholic beverages at the banquet facility and restaurant at Mt. Magazine State Park. Ness Sechrest seconded and the motion carried.

State Parks' Web site Update

Marla Norris said there is a new tool available to staff for entering new rates and fees. As a park's new rates are entered, the information is automatically displayed on the park's web site. This alleviates having to enter each change to each park separately. Ms. Norris showed other tools staff can use to make changes on the web site. There is now Global Positioning System (GPS) coordinates for each park on the web site. More trip ideas have been entered into the web site which includes maps for the driving tours. The web site also now includes a schools and teachers e-newsletter which is being promoted on-line and in print. Joe Jacobs said this will be used to promote more school field-trips to the parks and museums. Other improvements to the web site are: Linking into the "Lets 'Ride" promotion on the Ozark Folk Center's site, updates to the Mt. Magazine web site which includes a photo tour and prominently displays the toll-free phone number for making reservations, and an interactive map of the historic structures at Old Washington. A similar map will be done for the Ozark Folk Center to tell its story and work continues on kiosks in the park Visitor Centers.

Certificate of Appreciation - Susan Clifford

Greg Butts said Susan Clifford will be retiring June 30th following 21 years of service. Ms. Clifford started in 1985 as an Accountant II and in 1990 became a Manager Program Analyst II for Outdoor Grants. Mr. Butts requested a Certificate of Appreciation for Mr. Clifford.

Montine McNulty moved to approve a Certificate of Appreciation for Susan Clifford in recognition of her 21 years of outstanding service. Mike Mills seconded and the motion carried.

Miscellaneous

Greg Butts said on June 20th the new mountain bike trail at Bull Shoals-White River State Park will be dedicated. On June 22nd the last of the new exhibit galleries on the brine industry will be debuted at the Arkansas Museum of Natural Resources.

TOURISM DIVISION

Marketing / Advertising Items

Summer 2006 Radio Media and Creative Recommendations

Karen Mullikin explained the idea for the radio campaign was to encourage Arkansans to remain closer to home for summer vacations. A July in-state radio campaign was previously recommended and approved as part of the Fall/Winter 2006-2007 Consumer media plan.

Greg Harrison recommended running a four-week radio campaign from July 5 - 30, beginning immediately after the July 4 holiday and running through the remainder of the month. Running 30 second radio spots with state wide coverage using the metro markets: Fayetteville, Fort Smith, Jonesboro, Little Rock, and Texarkana with the addition of top radio stations in the non-metro areas. In the metro markets 450 points were purchased with a lot of the stations providing bonus spots, where stations have agreed to match our contribution. Karen Mullikin distributed handouts with details regarding radio station air times and amounts of purchase.

In addition to schedules placed on behalf of Arkansas Parks and Tourism, complimentary creative elements are being supplied to radio stations to spur promotional tie-ins with local businesses and attractions. The combined efforts of both approaches will solidify the in-state travel campaign for Arkansans with the extension of local promotions through the remainder of the summer, and will serve to carry the message into the fall travel season.

Bill Fitzgerald played four (4) audio spots for the radio creative mix to the Commission. Jay Bunyard added the response to the co-op program has been tremendously positive. The Tourism Division makes an investment of \$75,000 for the payment of 75 - 80% of the total costs of radio spots so the smaller organizations can piggy-back the Tourism Division's radio spots. The campaign consists of a 30 or 60 second spot, the majority of which would be paid for by the state, encouraging consumers to stay in the state with music in the background for the first half of the radio spot. The musical score would continue through the second half promoting a local co-op partner. The radio spots are open to everyone with priority going to tourism co-op partners first.

Ness Sechrest moved to approve the Summer 2006 Radio Media and Creative Recommendations. Danny Ford seconded and the motion carried.

Added Fall/Winter 2006-07 Creative Recommendations

Karen Mullikin updated the Commission on the revised print ads presented for the Fall/Winter Campaign at the last commission meeting. There were four (4) recommendations, of which only two (2) were approved. Bill Fitzgerald presented the photo replacement and print ads to the Commission.

Mike Mills moved to approve the revised Fall/Winter 2006-2007 Creative Recommendations. Wade Williams seconded and the motion carried.

"See Arkansas First" Update

Karen Mullikin told the Commissioners the "See Arkansas First" project began June 1 with the Crater of Diamonds story, and Joe David Rice appeared on Good Morning Arkansas the same day to promote the campaign. Counter cards for a chance to win the grand prize (Wildwood Travel Trailer) are available at these partner locations: KATV/Channel 7, Best Western Inns, River City RV, and the Department of Parks and Tourism. The Arkansas Razorback Network is being used to distribute "See Arkansas First" radio spots. This partnership has added 57 radio stations to the campaign. Every week a GPS system is given away, and the grand prize will be given away live on Good Morning Arkansas at the end of August. Ms. Mullikin presented audio and video examples of television and radio spots used to help promote "See Arkansas First".

ValuePlus Presentation Report

Joe David Rice reminded the Commission that D.K. Shifflet & Associates did a ValuePlus benchmark study a few years ago to evaluate the industry's level of service and hospitality. The Department asked for another study to see the amount of success the industry may have shown.

Karen Mullikin went over the results of the ValuePlus meeting with industry partners where Ed McWilliams gave the report. The data was taken from the D.K. Shifflet & Associates regular study (Destination Performance Index). ValuePlus studied people who actually came to Arkansas during calendar year 2005. They asked the same questions asked during the 2002 study, questions regarding value and satisfaction. ValuePlus compared Arkansas to Texas, Oklahoma, Louisiana, Missouri and Tennessee. Arkansas made great improvements regarding the concerns found in the study in 2002. However, the competition has made progress, sometimes at a greater rate than Arkansas. The executive summary of the study stated that progress was made, however the industry cannot stop now. There were still some concerns in certain areas of service for Arkansas including; family attractions were rated better, however as other attractions were concerned there was decline in that area; cultural and outdoor attractions remained the same. In comparison, the competitive set improved significantly for every attraction type. The state's ratings overall were relatively equal for family and outdoor attractions compared to the competitor states, however ratings were lagging on cultural and heritage and other attractions. Although improvement has been made, improvement was not made at a pace comparable to the competitive states. The full details of the ValuePlus report are available at the industry web site at arkindustryinsider.com.

Industry A & P /CVB Meeting Report

Joe David Rice told the Commission about the meeting with the Arkansas Association of Convention and Business Bureau representatives on June 13. Eight communities were represented (about half of eligible communities) and given a chance to talk with the Tourism Division on how to spend their Tourism and Marketing monies for the year. The communities are interested in revisiting the meeting and convention marketing campaign, instead of spending money on magazine advertising space they would like the Department to purchase an exhibit booth to be used as a prop for tradeshow. The idea being six or eight communities could be represented at one booth for the larger shows.

Advertising Committee Meeting Report

Joe David Rice summarized the topics discussed at the annual Advertising Committee Meeting.

The Tourism Division mails a hardcopy newsletter every quarter. A suggestion was made to suspend the distribution of hardcopy newsletters and use electronic distribution, saving the Department approximately \$10,000.

The Advertising Committee suggested the Community Partnership Marketing Program had outlived its usefulness, based upon the applications being submitted. Jay Bunyard suggested the monies from the program could be split between the regional associations for distribution. Richard W. Davies commented he was not sure he wanted to do away with the program. Discussions ensued regarding the pros and cons of the Community Partnership Marketing Program.

Fishing Campaign Update

Karen Mullikin reported on the Fishing Campaign series with partner, Arkansas Radio Network. The promotion includes the fishing guide, radio spots and live remote broadcasts with the Chuck Barrett Show. The first remote broadcast will be at Lake Ouachita, June 16. Ms. Mullikin presented a radio spot produced for the campaign. The approximate cost for the fishing radio campaign is \$22,500.

Community Partnership Marketing Program Presentation: Hot Rod Power Tour

David Russell and Carol Dolan from the City of Little Rock conducted a PowerPoint presentation and distributed handouts detailing the Hot Rod Power Tour expectations of anticipated revenues and expenses associated with the event. Included in the handouts were figures for estimated attendance, requested sponsorship from Community Partnership Marketing Program Fund, and an explanation of advertising return for investment.

The Hot Rod Power Tour is scheduled to start in Cleveland Ohio on June 2, 2007. The tour will travel to Kalamazoo, Michigan (June 3), Racine, Wisconsin (June 4), Springfield, Illinois (June 5), a location to be determined (June 6 & 7), and Little Rock, Arkansas (June 8 & 9). The estimated attendance includes 3,500 – 4,000 participating vehicles with an average of two (2) people per car. The projected spectator base for the 2006 tour was 60,000.

The City of Little Rock is requesting a sponsorship in the amount of approximately \$25,000 from the Community Partnership Marketing Program Fund. The investment return includes full page, full color ads in a minimum of eight (8) issues of *Hot Rod Magazine* promoting the Power Tour (including the logo and city/state ID, coverage of the city and state,

and pre-event and post event editorial commentary). Media buys in participating tour cities, including radio, television, and print campaigns. An average of five (5) full page, full color Hot Rod Power Tour ads in each of the following enthusiasts magazines: *Car Craft*, *Corvette Fever*, *Vette*, *High Performance Pontiac*, *Mopar Muscle*. In addition there will be full coverage of the Hot Rod Power Tour on Hot Rod TV, airing on the Outdoor Channel as well as stories featured on the Learning Channel. There will be links to the city and state web sites from www.hotrod.com and 40,000 informational brochures will be distributed across the country, with 10,000 marketing flyers distributed to potential tour participants. Tourism information may be placed in participants goodie bags and mailing lists to registered participants can be made available to hosting city/state. Other forms of media coverage include press campaigns on radio, television, and print interviews in all tour cities.

Arkansas and Little Rock will offer hospitality, signage (at state border where tour enters the state and banner signage in Little Rock as well as Arkansas cities along the structured tour route), and special events to be planned for Saturday night to encourage visitors and participants to spend another night in Arkansas. General Motors representatives from the Detroit location will be in attendance.

A budget breakdown will be available at the July Commission meeting.

Research & Information Services Section

Joe David Rice reported the Research & Information Services section processed 34,885 inquiries during May 2006, a decrease of 42.6% from May 2005. Total inquiries from January – May 2006 are 208,001, an increase of 0.2%. Retirement / Relocation requests have increased 6.7% since January 2006. Welcome Center visitation was 87,140 in May, up 5.7% from May 2005. Welcome Center visitation year to date is up 9.6%. Charles McLemore continued working with Arkansas Highway & Transportation Department staff and contractors on Welcome Center reconstruction details for Blytheville, West Memphis, and Lake Village. Travel Consultants: Donna Smith (Van Buren/Ft. Smith) and Duane Roberts (Harrison) passed the Travel Counselors National Certification Exam last month.

Group Travel Section

Nancy Clark reported Little Rock hosted the American Bus Association's (ABA) annual "Top 100" committee meeting the week of June 4-7. Richard W. Davies and Gloria Robins represented ADPT at the opening dinner of this meeting, during which top ABA member tour operators gather to vote on the nation's top 100 events for motorcoach groups. Arkansas's submissions for 2006 included: War Eagle Arts & Crafts Fair; Pink Tomato Festival; Smackover Annual Oil Town Festival; Lights of the Delta; BPW Barn Sale; Enchanted Land of Lights & Legends; and World's Shortest St. Patrick's Day Parade. The winners will be formally announced by ABA in the upcoming months.

Nancy Clark gave a brief summary regarding the hosting of British journalists: James Rudman, Samantha Parker and Victoria Shaw. The press group departed very excited about what they'd seen, learned and experienced in Arkansas. Updates on the articles will be made available as soon as possible.

Nancy Clark reported Mindy Hawes (Group Travel Manager), Laurie Green (Little Rock Convention and Visitors Bureau), Gina Martin (Little Rock Tours), and she recently returned from a sales mission to the United Kingdom. While in the United Kingdom they visited a number of operators and felt the experience was positive. Ms. Clark stated Arkansas has done a wonderful job of selling the state to operators; however, it will be up to the operators to sell their customers on Arkansas. Ms. Clark felt Arkansas has the strongest potential for attracting United Kingdom visitors with fishing. There are many fishermen in the United Kingdom who want to fish where world records are held, and Arkansas can boast of world class records with regards to fishing. Ms. Clark also stated that much work needs to be done with the private sector so they understand how to work with both domestic and international tour operators. In order for Arkansas to be successful in these markets, the private sector providers must understand pricing, etc. for tour operators.

Tom Mangold, a journalist from the United Kingdom, wrote a two (2) page, gangster-themed article on Hot Springs, which was published in one of the United Kingdom's main newspapers on Sunday, April 23, 2006. Another journalists' FAM tour is scheduled for July; Paul Mansfield, the British freelance journalist, has been commissioned by *The Observer* newspaper to write a piece on the music and culture scene of Mountain View.

Nancy Clark explained Melinda Hawes will be participating in TAP's inaugural, invitation-only tradeshow at this time. Ms. Hawes will have an update regarding the tradeshow at the next meeting. The Group Tour and Meeting Planners Directory distribution should be completed by June 30.

Nancy Clark updated the Commissioners on the status of the Governor's Executive Order 0501. The estimated dollar value of accepted invitations to meetings and conventions in the State of Arkansas was approximately \$3,394,085.32. The estimated potential value of pending invitations is approximately \$28,051,179.31.

Tourism Development Section

Donna Perrin reported on the Annual Regional Tourist Association Meeting held at the Arkansas State Chamber office in Little Rock on June 8. Joe David Rice opened the meeting, Jana Greenbaum, Renee Robinson, Jonathon Eudy, Karen Mullikin and representatives of the twelve regional tourist associations were in attendance. The Regional Tourist Associations budgets will be increased by \$50,000 collectively this year.

Donna Perrin updated the Commissioners on the status of the Retirement/Relocation guide. Chuck Haralson took the cover photo and Brigitte Williams, Arkansas Business Publishing Group, delivered the books to be proofed by Tourism Development and Communications sections. The expected distribution of the Retirement/Relocation guide should be the 1st or 2nd week of July. Arkansas Business Publishing Group will provide contents of the Retirement/Relocation guide to Aristotle for the addition to the web site. There will be a name change on the web site from Retirement/Relocation to Moving to Arkansas. A brochure from the realtor association, to be approved by the Department and produced at no cost to the Department, will be added to the retirement packets mailed out.

Donna Perrin reported the status of the Fall/Winter 2006/2007 Calendar of Events. The content was delivered to Max Gilbert on June 1. The featured event for the Fall/Winter edition will be Eureka Springs 59th Annual Original Ozark Folk Festival, October 12-15, 2006.

Communications Section

Jana Greenbaum explained the Arkansas Insider web site. This web site is expected to help circulate information to the industry with the use of an online photo album, itinerary of activities, and instructions on how to enter information (ex. Hot Deals packages), etc. Ms. Greenbaum welcomes suggestions and ideas for the web site. Jim Shamburger asked if the industry has events will the industry people be able to upload their own pictures. Ms. Greenbaum replied yes, however the Department would have final say.

Jana Greenbaum reported on the recent visit of travel writer, Bob Jenkins, a Society of American Travel Writers editor for the *St. Petersburg Times*. This was Bob Jenkins' second visit to Arkansas; he visited Mount Magazine, Gaston's White River Resort, Stone Creek Ranch, and Mountain View, etc. He wrote his story and had his articles filed before he left the state. His articles will run on July 23.

Jana Greenbaum asked the Commissioners for help in finding sources for fishing reports to be used in Really Simple Syndication (RSS) feeds. The reports are to be done by fish type instead of location. Ms. Greenbaum briefly discussed Department activities on web sites, the Tour Guide including Global Positioning Satellite (GPS) coordinates, and a plan to add a Geo Cache to the Tour Guide, as well as possible addition of Geo Cache to any future projects. Ms. Greenbaum thinks this will provide a creative way to help spread marketing information.

Aristotle Report and Budget Approval

Jonathon Eudy gave a powerpoint presentation to help illustrate and explain the current projects of Aristotle: the Industry Partner mini-web site, located at www.arkindustryinsider.com, will be completed and go live by the end of June; Aristotle has completed the online support piece for CJRW on "See Arkansas First" project; the "Let's Ride" Uniform Resource Locator

(URL) on the Arkansas.com home page received approximately 11,490 visitors sessions with 88,473 page views with an average time spent on the site being over 6 minutes. Suggested rides with directions and mileage are located on the web site with the addition of a Southern route.

The Reunions 101 mini-site will be completed and launched by the end of June. Aristotle has completed the Weekend Getaways landing page; six landing pages have been completed: Autumn in Arkansas, Calendar of Events, Dining in Arkansas, Winter in Arkansas, Romantic Destinations in Arkansas and now Weekend Getaways. The purpose of these landing pages is to direct people to the content on Arkansas.com.

Mini web sites that have been completed or will be launched by the end of June include: Birding Watchable Wildlife, Industry Insider, Splashing Around in Arkansas, Fishing in Arkansas, Spanish Translations and Virtual Tours.

Marketing and Promotion includes an email piece sent to approximately 195,000 email addresses. This email goes out to a group of people who are invited to come back to play at the web site. A flash movie that shows pictures and locations of various places (there are no branded Arkansas locations within the video) invites the user to guess where in the world is the featured location. Users who respond are registered for a chance to win 1 of 10 digital cameras; the user can also forward the email to a friend to invite them to play. After submittal the user will receive another email with the answer to the question of a location in the State of Arkansas. Links are at the bottom of the email to Hot Deals and Vacation Packages.

All of Travel South USA marketing monies are being used to focus on Canada for all inclusion work. Aristotle built a web site targeting Canadians featuring one state (twelve states in the Travel South USA program) for each of the twelve months. Each state has a month to prepare for the promotion of its state; this is an inexpensive way to draw tourists in. There are approximately 2600 people from Canada who have signed up for information from Travel South to receive information on travel to the South. Travel South receives approximately 35,000 hits per month on average.

Joe David Rice reminded the Commission of the Internet Committee meeting at Mount Magazine. Jim Shamburger reported the recommendations of the Internet Committee were to pass the Aristotle Budget in the amount of \$818,499 for Fiscal Year 2007.

Mike Mills moved to approve the Aristotle Fiscal Year 2007 Budget in the amount of \$818,499. Danny Ford seconded and the motion carried.

Miscellaneous

Jim Gaston stated he would like to see the staff filter the groups petitioning for the Community Partnership Marketing Program and bring the best ideas to the Commission. Mr. Gaston expressed concern that the bigger events seemed to be taking the monies, when the idea was for the monies to be spread across the state; there is also the consideration of the appearance of favoring Little Rock due to several events petitioning for funds are based out of Little Rock. Richard W. Davies suggested next year the staff could score the events submitted and bring the highest ranking events to the Commission for review, to help ease the burden of the Commission. Debbie Haak expressed concern over presentations being part of the point system as the smaller events and communities would feel they are unable or inadequate to campaign for grants.

Shelby Woods requested a Certificate of Appreciation for Clyde Dent, Senior Copywriter at CJRW who is retiring June 15. He has written for the Arkansas Tour Guide, tourism industry brochures, ads, etc., for 18 years.

Mike Mills moved to approve a Certificate of Appreciation for Clyde Dent in recognition of his years of service to the industry. Ness Sechrest seconded and the motion carried.

Wayne Woods requested a Certificate of Appreciation for Paul Harvel in recognition of his years of service to the Little Rock Chamber of Commerce and the tourism industry. Mr. Harvel is leaving the Little Rock Chamber of Commerce to be the new director of the State Chamber of Commerce.

Jim Shamburger moved to approve a Certificate of Appreciation for Paul Harvel in recognition of his years of service to the Little Rock Chamber of Commerce. Ness Sechrest seconded and the motion carried.

The State Parks, Recreation and Travel Commission adjourned at 9:00 a.m. on Friday, June 16, 2006 at the Crater of Diamonds State Park Discovery Center in Murfreesboro, Arkansas.