

Arkansas State Parks, Recreation & Travel Commission
Village Creek State Park
Wynne, Arkansas
August 20, 2009

Commissioners Present

Danny Ford, Chairman
Montine McNulty, Vice-Chairman
Steve Arrison
Bill Barnes
Jay Bunyard
Debbie Haak
Billy Lindsey
Mike Mills
Ness Sechrest
Jim Shamburger
Cindy Smith

Commissions Absent

Jim Gaston
Darin Gray
Bob Knight
Tom Schueck

Department Staff Present

Richard W. Davies, Executive Director
Gloria Robins, Executive Assistant
Cynthia Dunlap, Director of Administration
Greg Butts, Director, Arkansas State Parks
Joe David Rice, Tourism Director
Nancy Clark, Assistant Tourism Director
Mac Balkman, Operations Manager
Stan Graves, Parks Planning and Development Manager
Joe Jacobs, Marketing and Revenue Manager
Jon Brown, Region I Supervisor
Marcel Hanzlik, Region III Supervisor
Tom Stolarz, Region IV Supervisor
Dena Woerner, Communications Manager
Renee Robison, Group Travel Manager
Joanne Hinson, Research and Information Services Manager

Donna Perrin, Tourism Development Manager
Dottie Boyles, Administrative Specialist
Kris Richardson, Administrative Specialist
Kim Williams, Arkansas Travel Writer
Shea Lewis, Superintendent, Parkin Archeological State Park
Mary Anne Parker, Park Interpreter, Parkin Archeological State Park
Mike Brawner, Superintendent, Village Creek State Park

CJRW

Wayne Woods
Shelby Woods
Karen Mullikin
Carrie Orahoad
Chance Woods
Brandi Childers

Aristotle

Marla Johnson Norris
Jonathan Eudy
Dena Pruitt

Guests

Kathy Holt, Governor's Office
Jane Malton, Little Rock Convention & Visitors Bureau
Don Barnes, Attorney General's Office
Aaron Stewart, Director of Chamber of Commerce & Economic Development Corporation
David Dowd, Cross County Bank
Vince Guest, Attorney with Cross County Bank
Leroy Dangeau, Chair of Crossroads Coalition
Kevin Patterson, Head Golf Professional, Village Creek Resort, LLC
Senator Jim Luker, Wynne
Jack McNulty, AEDC, Pine Bluff

Roll Call

Chairman Danny Ford called the meeting to order at 8:36 am on Thursday, August 20, 2009. Gloria Robins called the roll.

Approval of Agenda

Debbie Haak moved to approve the Agenda as presented. Montine McNulty seconded and the motion carried.

Presentation of Minutes from Previous Meeting

Ness Sechrest moved to approve the Minutes from the July 2009 meeting. Montine McNulty seconded and the motion carried.

FINANCIAL REPORT

Cynthia Dunlap presented the financial report for the month of July, the first month of Fiscal Year 2010. Expenditures were: Parks Division, \$7,176,641; Tourism Division, \$1,041,792; Keep Arkansas Beautiful, \$25,289; Administration Division, \$379,014; and History Commission, \$220,650. Expenditures for the Department totaled \$8,843,386, which included construction and grants. July operating revenue for the Parks Division totaled \$3,156,413, an increase of 1% over last July's total.

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

EXECUTIVE DIRECTOR'S REPORT

Executive Assistant Gloria Robins reported that the final stages of taking the Commission meetings paperless have been completed. Beginning at the September meeting, Commissioners will be provided computers with agenda items and support documents.

Executive Director Richard W. Davies reported that the Arkansas Educational Television Network would debut the new Ken Burns documentary, *The National Parks: America's Best Idea*, on September 27. Leading up to the start of the documentary, AETN will air several programs featuring Arkansas, including a documentary on Arkansas State Parks.

TOURISM DIVISION

Magic Springs & Crystal Falls

Joe David Rice reported Richard Davies, Steve Arrison, and he visited Magic Springs & Crystal Falls in Hot Springs on the invitation of R. Byron Carlock, Jr., President and CEO of CNL Lifestyle Company, owner of the park. Mr. Carlock, a native of Blytheville, gave a tour of the facility. Mr. Rice said the park was packed with visitors, with around 20% of the cars in the parking lot from other states. Mr. Davies reported, as of August 2, all of the park's rides were open and running except one.

Marketing Outlook Forum

Joe David Rice updated the Commissioners on the U.S. Travel Association's Marketing Outlook Forum, being held in Little Rock on October 26-29. The conference features economic trends and forecasts specifically relating to the travel industry. Jerry Jones, Owner and General Manager of the Dallas Cowboys, will be one of the guest speakers.

Travel Promotion Act

Joe David Rice reported the Travel Promotion Act was stalled because of several amendments attached to the Act that had no relevance with tourism. Senator Harry Reid of Nevada was able to get the Senate to agree to withdraw the amendments. The Act is scheduled to come up for a vote, in the United States Senate, on September 8.

Natural State Golf Trail

Joe David Rice, Richard Davies, Jim Shamburger, Montine McNulty, Shelby Woods, and Karen Mullikin met with Fairways Golf Vacations. The Executive Committee of the Natural State Golf Trail is reviewing a proposed contract with the company.

Research and Information Services Section

Research and Information Services Manager, Joanne Hinson, presented photos from the grand reopening of the Blytheville Welcome Center that was held on August 7. About 50 to 60 people attended the celebration. Ms. Hinson reported that visitation for the welcome center is up 108% since 2007.

The Research and Information Services Section processed 21,301 requests for information during July 2009, up 2.9 percent from July 2008. The year-to-date total is 284,898, down 6.6 percent compared to the same period in 2008. Arkansas Welcome Centers received 123,649 visitors in July, up 23 percent from July last year. Visitation to date for 2009 totals 504,590, up 11.5 percent from 2008.

Tourism Development Section

Donna Perrin, Tourism Development Manager, announced the staff is compiling and updating information for the 2010 Spring/Summer Calendar of Events. The deadline for submission for inclusion in the Calendar of Events is August 28.

The Fall/Winter Calendar of Events has been delivered to the warehouse and will be included in the Vacation Planning Kits. The new issue features the *World of the Pharaohs: Treasures of Egypt Revealed* on the front cover. Copies were distributed at the meeting.

Applications have been received for the first cycle of the Arkansas Tourism Attraction Feasibility Study Matching Grant Program. The next deadline is September 25.

A copy of the new retirement and relocation guide, *Living in Arkansas*, were given to the commissioners. Ms. Perrin announced it is ready for distribution.

Communications Section

Communications Manager, Dena Woerner gave Commissioners an overview of the 2010 *Arkansas Tour Guide*, including the new color-coded destination sections. Ms. Woerner also discussed the progress on the Communications of Vacancies Emergency Response (COVER) program, which will allow lodging facilities to share vacancies during emergencies, such as hurricane evacuations, when travelers are seeking immediate accommodations.

Ms. Woerner demonstrated how a story written by a travel writer such as Zoie Clift, begins as a release, is picked up by another media source, and used as an article in either a magazine, newspaper, or on the Web. Ms. Clift's article became the feature story in the August issue of *Rural Arkansas*.

The Girls Getaways Web site launched and is generating a lot of interest. Ms. Woerner reported she has been contacted by three freelance writers interested in writing stories about Girls Getaways in Arkansas.

Group Travel Section

Renee Robison, Group Travel Manager, reported motorcoach operators are showing a strong interest in hub-and-spoke trips throughout Arkansas to coincide with tours of the *World of the Pharaohs: Treasures of Egypt Revealed* exhibit. The exhibit will be on display at the Arkansas Arts Center in Little Rock, September 25, 2009 through July 5, 2010. Ms. Robison distributed gift bags to the Commissioners from the Little Rock Convention & Visitors Bureau promoting the exhibit.

Group Travel received 55 leads for July 2009. Nineteen of the leads were motorcycle related. Of the 761 leads received to date, 218 were from the motorcycle market. There were 9,000 downloads for the PDF version of the motorcycle guide *Let's Ride* on the Arkansas.com Web site for the month of July. Marla Johnson Norris, with Aristotle, reported it is the most heavily searched PDF on the site.

Aristotle

Marla Johnson Norris of Aristotle informed the Commission that visitation to Arkansas.com was up 13 percent through July 2009. Unique visitors to Arkansas.com were up 17 percent for July 2009 in comparison to July 2008. Visitor sessions increased 19.4 percent in July 2009 compared to July 2008. While Google continued to be the number one search engine, Ms. Norris stated Facebook is also moving up as a popular search engine resource. The Web site ranked number four in July 2009 among the 50 state tourism sites.

Jonathan Eudy presented the latest pages added to Arkansas.com which include Girls Getaways, and Racing and Gaming. Arkansaskids.com is in the process of being updated with new features. Current projects include: Haunted Arkansas, Culinary Tourism, Extreme Adventures, Movie Locations, Sports, and Civil War.

CJRW

Karen Mullikin and Brandi Childers presented the 2009-2010 Fall/Winter television campaign. This 16-market buy, which includes spots targeting the Hispanic market, will air September 14 – October 18, 2009.

The Spring/Summer 2009 Television Postbuy Summary indicated that four of the 14 markets performed below the industry standard of 90 percent. These four markets indicated they will run additional commercial spots to make up for the deficits.

Carrie Orahood presented the Golf TV 30-second television commercial featuring the Natural State Golf Trail. The ad will run on the Golf Channel in the spring.

Jay Bunyard moved to approve the Golf TV 30-second commercial as presented. Montine McNulty seconded and the motion carried.

Miscellaneous

Joe David Rice and Nancy Clark reported the Resolution for the Reconnaissance Study of the Ouachita River and its tributaries in Arkansas and Louisiana was presented at a meeting in Memphis to the Mississippi River Commission. The resolution for the study was presented and approved at the July 23, 2009 State Parks, Recreation and Travel Commission meeting.

PARKS DIVISION

Proposed CY 2010 Fees & Rates

Greg Butts presented the proposed CY 2010 Fees & Rates for preliminary approval and noted a few revisions. Public comments will be received September 23, 2009, 3:30 pm at the Little Rock Statehouse Convention Center. The Commission will vote on the final approval of the fees and rates during the September meeting, to include review of any public comments. Mr. Butts commented camping rates were increased one dollar, which reflects 3.7% over four years, less than inflation.

Jay Bunyard moved for preliminary approval of the proposed CY 2010 Fees & Rates, as amended. Billy Lindsey seconded and the motion carried.

Arkansas Broadcaster's Association

The Arkansas Broadcasters Association spring TV and radio spots have been approved by the Commission previously. Joe Jacobs requested permission to utilize previously approved spots for the 2009 Fall campaign as follows:

TV Spots (30-second spots)

TV Cut # 1: "ArkansasStateParks.com" (used in summer 2008)

TV Cut # 2: "Arkansas State Parks Accommodations" (used in winter 2008)

Radio Spots (60-second spots)

Radio Cut # 1: "Fall is THE Time for Scenic Drives to Arkansas State Parks" (used in fall 2007)

Radio Cut # 2: "Think of and Remember" (used in fall 2005)

The spots will run on TV and radio throughout the state from September through November.

Jim Shamburger moved to approve the Fall 2009 TV & radio as requested by Joe Jacobs:

TV Spots (30-second spots)

TV Cut # 1: "ArkansasStateParks.com" (used in summer 2008)

TV Cut # 2: "Arkansas State Parks Accommodations" (used in winter 2008)

Radio Spots (60-second spots)

Radio Cut # 1: "Fall is THE Time for Scenic Drives to Arkansas State Parks" (used in fall 2007)

Radio Cut # 2: "Think of and Remember" (used in fall 2005)

Montine McNulty seconded and the motion carried.

Mount Magazine – Request renewal/modification of Use Permit Agreement with Corley Mountain Rural Fire Association

Stan Graves requested approval for a First Amended Use Permit Agreement with the Corley Mountain Rural Fire Association (CMRFA). With completion of the Fire Sub-Station at the park in July 2009, the CMRFA will be housed and operate from the new facility. Previously, the CMRFA stored a fire truck and equipment in the park maintenance building.

**Ness moved to approve the First Use Permit Agreement with Corley Mountain Rural Fire Association at Mount Magazine State Park.
Jim Shamburger seconded and the motion carried.**

Withrow Springs - Request for removal of structure from inventory

Stan Graves requested approval for removal of a deteriorated 1920's residence, Asset No. 58.07, AASIS No. 120001847 from the Withrow Springs inventory. The old residence is being replaced with a new standard employee residence.

Ness Sechrest moved to approve the removal of a residence, Asset No. 58.07, AASIS No. 120001847 located in Withrow Springs State Park. Jim Shamburger seconded and the motion carried.

Ozark Folk Center – Commission Certificate requests for two employees

Greg Butts requested a Commission Certificate of Appreciation for two outstanding Ozark Folk Center (OFC) employees: Iona Barham, Cabin Manager, OFC, who is retiring after 34 years of dedicated service and Mary Agnes Smith, Accountant, OFC, who is retiring after 23 years of dedicated service.

Billy Lindsey moved to approve Commission Certificates for Iona Barham and Mary Agnes Smith for their contributions and dedicated service. Debbie Haak seconded and the motion carried.

A retirement dinner is scheduled to honor the two employees at the OFC on September 1, 2009, 5:30 pm. Commissioners and staff are invited to attend.

Miscellaneous

Greg Butts reported Arkansas Educational Television Network (AETN) launched an exciting program to promote the state and national parks in Arkansas. The “Passport Program” invites Arkansans to get out and experience a selection of state parks and have their passport “stamped” to be eligible for prizes. Passports were distributed to the Commission and staff and are available at welcome centers and may be ordered from AETN. He noted good reviews for a new cycling & kayaking tour developed by staff at Delta Heritage Trail, positive geocache program comments, and great ASP comments from Facebook fans. Articles were noted commenting expansion plans are in place for Lake Fort Smith and a summer program at Mammoth Spring State Park offers great experience for youth.

Village Creek Resort

Greg Butts provided the Commission with an update on Village Creek Resort, LLC (VCR). He welcomed and introduced guests associated with the Village Creek Resort Project: David Dowd, President of Cross County Bank (CCB), Vince Guest, CCB legal counsel, Kevin Patterson, VCR head golf professional, Don Barnes, Assistant Attorney General, former State Representative LeRoy Dungeau, and Senator Jim Luker. Mr. Butts reported on August 12, 2009, CCB filed a foreclosure notice against VCR concerning default on their resort development loan. With foreclosure proceedings beginning, Arkansas State Parks (ASP) will

terminate the management agreement with VCR. He stated of the three agreements, the management agreement will be terminated first due to default on several issues as outlined in a recent letter sent to Brant Enderle, President, Chairman, and CEO of VCR, and provided to the Commission.

- 1) Development Services Agreement – building of the golf course (financed by ADPT)
- 2) Management Agreement – managing and operating the golf course (several defaults including financial insolvency and commencement of foreclosure)
- 3) Lease Agreement – entails development and managing the proposed resort facilities including the planned hotel, restaurant, pool, spa, and the clubhouse and cart barn that were under construction

David Dowd reported CCB filed and served foreclosure notice against VCR on August 12, 2009. Repayment of the loan was due June 2009. Concerns were raised regarding completion of the project once Carter Plantation Land, LLC (CP Land) of Louisiana defaulted on financing its golf course, convention center, residential and commercial lots. VCR was utilizing resources from CP Land to help finance the golf course operation. He contacted Greg Butts and Richard Davies advising them of the situation. Approximately 50% of CCB's loan funds have been expended by VCR and the club house and cart barn have not been completed or the hotel started. Although CCB has a large investment in the project with little results shown thus far, CCB is interested to see the project completed. Vince Guest, CCB legal counsel, reported a loan of \$ 870,000 to VCR from the Arkansas Economic Development Commission (AEDC) for equipment and resort furnishings is in default with no payments received to date. \$ 530,000 has been spent on equipment and CCB is in the process of gaining control of the equipment. CCB has filed foreclosure and wants to take possession of assets to recover losses. Mr. Dowd commented CCB is committed to seeing the project completed and to minimize CCB's losses. The ultimate goal is to find a suitable developer to finalize the resort plans and operate the resort and golf course.

Senator Luker advised of a major concern regarding numerous local vendors that have not been paid, without any recourse. CCB and ADPT are not legally responsible for VCR's debts and unpaid bills. CCB reported there are several local vendors affected, varying in amounts in unpaid debts. CCB stated they will assert third party complaints against VCR but realistically there are no cash assets to offset the debts.

Richard Davies questioned if there was a complete master list of unpaid vendors and debts owed. The response was vendors have contacted various sources i.e. CCB, Kevin Patterson, Senator Luker, and others with outstanding debts. He stated a clearing house is needed, allowing vendors the opportunity to register their debt amounts owed, so that information may be registered accurately. Aaron Stewart, Director of Cross County Chamber of Commerce and Economic Development (CCCCED) offered to act as a clearing house and a local neutral party, collecting information from vendors. However, Stewart noted CCCCCED would not be responsible for any unpaid debts and/or legal assistance.

Chairman Danny Ford commented ADPT and the SPRTC received negative comments from the community that were not deserved early in the project. VCR has agreed to the terms and conditions of the contracts with ADPT and it was VCR's responsibility to comply. It is a sad situation when a rural community and businesses provide services and goods and do not receive payment. SPRTC anticipated long ago there might be problems with VCR fulfilling their promises and our experience has not been pleasant. Chairman Ford commented this is a great project with potential and hopes the community realizes the SPRTC is on their side, that we are in this situation together, and the SPRTC will do all we can to help. Senator Luker noted appreciation to Richard Davies and Greg Butts in their assistance to get vendors paid and added there were no hard feelings against ADPT.

A power point presentation of the staff's August 12th golf course tour prepared by Don Barnes was shown to the Commission highlighting the positive and negative aspects of the course's condition. The Commission asked what the immediate priorities at hand are. Greg Butts responded, with ADPT's \$ 7.9 million investment in the golf course, our first priority is to at least maintain and budget the golf course through the growing season and this winter. Butts noted there is a plan but there is no funding allocated at this time. The only way it will work is for CCB or ADPT to step forward with funding. Discussion ensued regarding pros and cons of keeping the golf course open to the public or closed until a new operator is under contract. SPRTC agreed it would be in everyone's best interest to go forward, keep the golf course open, and see the project through to completion.

Ness Sechrest moved to create a transition plan in order to keep the golf course in operation until a suitable developer can be found, with the following steps:

- 1) Move forward with termination of the lease and management agreements with VCR.**
- 2) Evaluate the golf course's condition.**
- 3) Ascertain what needs to be done to the golf course, who will pay for the necessary work, and establish a budget.**
- 4) Determine who owns the equipment currently located at the golf course and whether the equipment can be used during the transition period.**
- 5) Name an entity that will serve as a clearing house to collect information on unpaid vendors.**
- 6) Develop a maintenance/operational plan for the golf course.**
- 7) Begin the process to find a new developer for managing the golf course and developing and operating the resort component.**

Mike Mills seconded the motion and the motion carried.

With no further business, The State Parks, Recreation and Travel Commission adjourned the meeting at 12:30 p.m. on Thursday, August 20, 2009.