

# Arkansas Wine Tourism Center

Arkansas Wine Producers Council 4Q  
2021 Quarterly Meeting

David Bell, CFO, Arkansas Department of Commerce



Discussion Document  
October 12, 2021

# Background Information

- Created funding process through Act 508 of 2017
- Act 910 of 2019 transferred Arkansas Wine Producers Council from Dept. of Parks, Heritage and Tourism to Dept. of Commerce
- Funding is special revenues derived from 50% of grocery store wine permit fees ranging from \$1,000 to \$5,000

# Background Information (Cont.)

- Funds are to be used to operate and staff a wine tourism facility, and for office space for the Arkansas Wine Producers Council, in Franklin County
  - To promote the Arkansas native wine industry
  - As directed by the Arkansas Wine Producers Council
- Through additional follow-up with Dept. of Finance and Administration and Bureau of Legislative Research, funds can be used to develop plans for, and to build, a wine tourism facility
  - Architectural and design fees
  - Site development and facility construction

# Financial Snap-Shot (Sept. 2021)

- Current annual appropriation is \$1,250,000
- September 2021 fund balance is \$1,995,149<sup>97</sup>
- Annual incoming revenue approximately \$500,000
  - For annual operating budgeting purposes, would highly recommend budgeting for incoming annual revenue closer to 75% or less of this amount
  - Would also recommend creating a reserve fund for occasional expenditures for capital improvement projects and/or major maintenance expenditures

# State Fiscal Terms

- Appropriation

- This is what the State Legislature has authorized to spend

- Revenue

- This is the incoming revenue that can be spent

- Budget

- This is the difference between what is authorized to spend and the actual spending that the incoming revenue (and any existing cash balance) will support

- Expenses

- Cannot deficit spend – pay as you go (cash basis only)

# Other Fiscal Considerations

- Funds are considered “incumbered” by the state
- State procurement law would likely apply
- Would need to conduct a Request for Qualifications for any architect or facility design professional
- Would need some assistance from the state Building Authority during design and construction
  - State Building Authority acts as the lead agency for any non-higher education construction and maintenance
- Would need to conduct a competitive bid process for facility construction

# Additional State Partners

- Arkansas Economic Development Commission (AEDC) Division of Arkansas Dept. of Commerce (community development)
- Tourism Division of Arkansas Dept. of Parks, Heritage and Tourism (marketing communications)
- Heritage Division of Arkansas Dept. of Parks, Heritage and Tourism (possible native wine museum)
- Parks Division of Arkansas Dept. of Parks, Heritage and Tourism (possible hiking and bike trail development)
- Arkansas Dept. of Agriculture
- University of Arkansas System Division of Agriculture
- Arkansas Dept. of Finance and Administration (DFA)
- Division of Building Authority (DBA) of Arkansas Dept. of Transformation and Shared Services (TSS)

# Strategic Vision

- Create a state tourism destination site that would pull visitors off I-40
- Potential amenities could include a main visitor center, a native wine museum, access to nearby wineries and vineyards, hospitality, foodservice, access to hiking and bike trails, educational facilities, and general meeting facilities
- Provide economic stability by building awareness of Arkansas native wines
- Increase local employment and economic activity



# Initial Decisions Points

- Possible construction site – where will it go
- Site acquisition process – buy, donate, something else
- General understanding (and eventual agreement) that a portion of the existing funds that have been set aside would be used to design and possibly build facility
- Who would ultimately own and operate the facility
- Can move forward now with initial steps (design and site selection phases) as these discussions continue

# Questions and Discussion