



Maintaining an Allure for Events and Conventions

Hotel rooms booked in Northern Kentucky increased 4 percent in 2010, outpacing the national average.

Kentucky CVBs share metrics on economic role special events play for hotels, restaurants, shopping

BY NANCY MILLER

HOTELS, restaurants, retailers, entertainment venues and transportation providers are all impacted by revenue from meetings and conventions, as well as by the spending of leisure travelers. *Prep* magazine talked to officials at Kentucky visitors and convention bureaus about this impact and how various segments of tourism and convention business play a vital role in the fiscal health of each region.

Louisville

For 2009/2010, the tourism industry generated \$1.7 billion in direct economic impact to the Louisville area and supported more than 22,000 jobs. Out-of-town spending by 16.7 million visitors to Louisville broke down with lodging at \$387 million, transportation at \$218 million, restaurants at \$481 million, recreation at \$255 million and retail at \$365 million. Conventions

attendees spent approximately \$965 each visit.

"We see an average of 525 conventions annually, from a small state association of 50 people to a large convention of more than 14,000 people," says Stacey Yates, vice president of marketing communications for the Louisville Visitors and Convention Bureau.

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Kentucky International Convention Center in Louisville is one of the facilities that annually attract 10 of the top 25 U.S. trade shows to town.

"Louisville has about 16.7 visitors each year; 8.5 million are overnight visitors and 8.2 are day-trip visitors. Our goal is to entice folks to come see an attraction and stay the night, but we'll take the day-trippers, too," she added.

Yates said Louisville hosts 10 of the top 25 trade shows in the country, such as the Farm Machinery Show, the National Street Rod Association, the North American Livestock Expo and the Green Industry Equipment. That high ratio is partly due to Louisville's Kentucky Exposition Center, with a unique combination of indoor/outdoor space.

Each of the 10 largest conventions average nearly 4,000 hotel rooms on its peak attendance night. The ABC Kids Expo that met in September is the third largest convention in the city, and is an excellent example of the enormous impact such an event has on Louisville. With 15,000 attendees and 9,845 room nights, the Expo has an estimated impact of nearly \$9 million. The National FFA Convention will return to Louisville in 2013, 2014 and 2015, generating 55,200 room nights and an impact of \$40 million annually. Skills USA signed a six-year contract with the Kentucky Exposition Center for 2015-2020, for more than 30,000 room nights annually and an economic impact of more than \$8.6 million.

"The uncertainty of the status of the Sherman Minton Bridge is cause for concern, primarily from the leisure travel market that typically travels north to

south. Should we see the bridge reopen within the next few months, our 2012 forecast is expected to see a slight growth in hotel occupancy and a moderate increase in hotel average room rate," said Jim Wood, president and CEO of the Louisville Convention & Visitors Bureau.

Lexington

Tourism, conventions and meetings comprise the second-largest economic driver in the Bluegrass region, behind only the agricultural segment which includes equine. "If not for tourism in Lexington, the economy absolutely would not be as vibrant as it is," said Dennis Johnston,

vice president of destination sales, Lexington Convention and Visitors Bureau.

Visitors certainly impact retail. Lexington Center is dependent on shopping from convention business.

Bucking the trend elsewhere in the country, 18 new retailers have opened downtown within the past 18 months, including seven new restaurants and clubs and a men's clothing store. Johnston believes tourists tend to frequent stores and restaurants patronized by local residents. Higher volumes of local traffic for businesses result in increased revenues from tourists.

"We had a big retail boost prior to the World Equestrian Games, partly due to the renovation of the streetscapes. Also affecting the local economy is the distillery district. The Barrel House Distilling Co. opened in 2008 and is quietly aging Bourbon at its Manchester Street location. Alltech is building a new distillery on Pine Street and is scheduled to open in late 2012. I think the Bourbon industry is probably the number one overall attraction to the state," Johnston said.

Total visitation in 2010 was 6.3 percent over 2009. Hotel occupancy was up 3.5



The paddock area of Keeneland Race Track, whose spring and fall meets draws visitors from around the state and beyond to Lexington.

percent. Conventions' impact on the hotel industry is reflected by the introduction of five new hotels, all in the select service market, in Lexington. The LCVB has seen a steady growth of conventions – an increase of 29.7 percent – over the last five years, with an increase in attendance of 84.8 percent. 2011 is considered flat to 2010. Conventions rooms booked in 2010 were 12 percent higher than 2009, and Johnston reports that figures for 2011 are on pace to equal 2010 numbers.

Bowling Green

Vicki Fitch, executive director of the Bowling Green Area Convention and Visitors Bureau, cites statistics from the Kentucky Tourism, Arts and Heritage Cabinet to illustrate the impact tourism has on the region. Tourism expenditures in Warren County increased by 5.8 percent in 2010 to nearly \$325 million, up from almost \$307 million in 2009. Tourism spending in the state increased by 4.8 percent in 2010 after seeing a statewide decline in 2009, however Warren County and the Cave Region saw a 2009 gain of 0.6 percent.

The 10-county Cave Region group in which Warren County is included saw an increase of 5.5 percent in direct tourism expenditures equaling more than \$327 million, adding an overall \$514.5 million in total expenditures to the region's economy.



"For quite some time, we've said that a city of 50,000 doesn't have the number of restaurants that are located here if they were to serve only residents. We bring in millions of visitors. Visitors and conventions play a definite role in the development of our community. That influx of business has helped lead to the opening of several new restaurants, some in existing shopping centers. Cheddars, Olive Garden and Shogun have erected new buildings here in the last three years," Fitch said.

She points to Bowling Green's downtown area, particularly Fountain Square, as the location for a significant number of new retailers. The Convention and Visitors Bureau works to direct visitors, whether


The annual National Street Rod Show at the Kentucky Fair and Exhibition Center in Louisville is one of the top 25 trade shows in the United States.

they are tourist or convention attendees, to the downtown area.

"Meeting sites such as the Sloan Convention Center, the Knicely Conference Center, and those at the National Corvette Museum and Lost River Cave are essential to attracting meetings and conventions that are so crucial to our area," Fitch said.

Northern Kentucky

In 2010, the total economic impact of visitor spending was broken down as: \$140 million in lodging, \$63 million in restaurants, \$34 million in shopping, \$20 million in entertainment, \$16 million in local travel and \$7 million in other areas. That was that was segmented into 42.44 percent in corporate, 36.08 percent in leisure, 19.22 percent in meeting and conventions and 2.26 percent in government.

"We're in the process of reviewing and trying to forecast into 2012. But I don't anticipate any major fluctuations. Meetings and conventions would be influenced by facility capacities and I don't see any changes in those," said Barbara Dozier, vice president of sales and marketing for the Northern Kentucky Convention and Visitors Bureau. "The number of hotels rooms increased by 4 percent in 2010, outpacing the national average." 



The Northern Kentucky Convention Center in downtown Covington helped the region outpace national growth for hotel room stays in 2010.

Nancy Miller is a writer for Prep. She can be reached at editorial@lanereport.com

QUICK CUTS

STATE

● In September, the **Kentucky Alcoholic Beverage Control (ABC)** Enforcement Division was awarded the 2010 National Liquor Law Enforcement Association (NLLEA) Agency of the Year at the NLLEA annual conference in Orlando for its efforts in combating underage drinking and preventing illegal alcohol sales. This is the second national award in the last two years for the ABC, winning last year for the Law Enforcement Officer of the Year. With 25 field investigators, Kentucky ABC Enforcement monitors more than 8,000 licensees throughout Kentucky.

● **Kentucky Employers' Mutual Insurance (KEMI)** and the **Kentucky Restaurant Association (KRA)** have launched a new workers' compensation program to make workers' comp benefits affordable for KRA members. A preferred rate will be given to KRA members who meet certain criteria, including a minimum of two years in business, an experience modification rating (E-mod) of 1.25 or less and attendance of at least one safety training session per year. Businesses that are not traditional restaurants or fast food establishments, or those that have a significant delivery exposure will be considered on a case-by-case basis.



Lucky Dog BBQ photo

DANVILLE

● When Brad Simmons, operations manager of a commercial real estate company, realized barbecue competitions really don't sell product, he wanted to share what barbecue is all about: family, fun and Americana. In just a few short weeks he organized the **Kentucky State BBQ Festival**. The inaugural event will be held Nov. 5-6 at Constitution Square in Danville. The "block party" will have demon-

strations by nationally known pit masters and plenty of the big four to purchase: pulled pork shoulder, beef brisket, ribs and smoked chicken, along with a beer garden sponsored by Alltech. Proceeds will benefit Heart of Kentucky United Way.

LEXINGTON

● Austin-based **Chuy's** is expanding its Texas base to include Alabama, Tennessee and Kentucky. Offering Mexican fare made from family recipes, and a fun atmosphere, the Louisville location opened last fall at Oxmoor Center. Lexington's store off Nicholasville Road opened Aug. 30, with a seating capacity of 330 including the patio. A Bowling Green debut is expected by the first of the year.



● **Allegiant's** nonstop jet service between Lexington, Ky., and Las Vegas begins Nov. 16 on Wednesdays and Saturdays, departing Blue Grass Airport on a 217-seat Boeing 757-200. Nonstop jet service from Lexington to Ft. Lauderdale on Allegiant begins Nov. 17 on Thursdays and Sundays, with an introductory fare as low as \$77 one way when purchased by Oct. 5.

ALLTECH ADDING A DISTILLERY TO ITS DOWNTOWN BREWERY

ALLTECH broke ground on a new \$4.5 million distillery in downtown Lexington on Sept. 9. Adjacent to the company's brewery, the new project will be a 20,000-s.f. facility to house production and storage of Alltech's Pearse Lyons Reserve whiskey, Bluegrass Sundown after-dinner Bourbon coffee beverage and the soon-to-be-released bourbon. The project is expected to take approximately one year.



Alltech photo
Alltech groundbreaking on Sept. 9. From left, Mike Edwards and Deirdre Lyons (Alltech), Lexington Mayor Jim Gray, Dr. Pearse Lyons (Alltech) and Paul Findlay (Robinson Construction).

TRUST LOUNGE REOPENS HISTORIC LEX BANK SPACE



TRUST owner Andy Shea at the ribbon-cutting ceremony in September.

TRUST Lounge, a 4,500-s.f. multi-level upscale lounge, opened Sept. 10 in downtown Lexington. Owner Andy Shea restored the historical building, which was the Phoenix Bank and Trust of Lexington a hundred years ago. Live jazz is featured Tuesday to Friday, with DJs on the weekends. Rooms, booths and other areas are available for rental, as is the entire facility during the day. Seating capacity is 275.

KENTUCKY CRAFTED PLANS 2012 RETURN TO LEXINGTON

PRODUCED by the Kentucky Arts Council and celebrating its 30th anniversary, **Kentucky Crafted: The Market** will return to Lexington in 2012. The arts marketplace had its debut in 1981 at the Kentucky Horse Park and will once again be in Lexington after a long run in Louisville at the Kentucky Exposition Center. The annual wholesale/retail show of art, craft, books, music and artisan food products will be held March 1-4, 2012, at the Lexington Convention Center. The first two days of The Market are open only to qualified business owners who sell products in retail venues. The wholesale days act as an economic generator for Kentucky, annually attracting 500-600 buyers from 15-20 states.



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QUICK CUTS

LEXINGTON

● A downtown Lexington building from 1890 is now a mixed-use property with a ground floor bar/tavern called **Parlay Social**, owned by Bob Estes. Scheduled for an October opening, Parlay Social has a Prohibition era theme, with handcrafted cocktails and "period food," like gourmet grilled cheese sandwiches. The small menu will also have shrimp cocktail and oysters. The main focus of the club is on mixology, handcrafted beers and live entertainment every night from 4 p.m. to closing, with Sunday as jam night.



Smashburger photo

The first dollar earned at Louisville's first Smashburger. From left, Brandon Jones, Mike Jones (The Jones Group), Tom Ryan (Smashburger founder/CEO) and Kevin O'Laughlin (The Jones Group).

LOUISVILLE

● **Smashburger**, the Denver-based fast-casual restaurant with "smashed-to-order" burgers, had its Louisville grand opening Sept. 7 on Shelbyville Road. A subsequent store is scheduled to open in the first quarter of 2012 in the Chase Building on 4th Street downtown.

CONVENIENCE DISTRIBUTOR EXPANDS SOMERSET CENTER

MODERN Distributors, a full-line convenience store distributor, has expanded in Somerset, constructing a new 12,500-s.f. cooler-freezer warehouse. Modern

Distributors began its Somerset operation in 1965 as a small family-owned vending company and has grown to serve the wholesale grocery, coffee/ beverage and foodservice needs of convenience stores with approximately 1,300 C-store customers and 180 employees between its Somerset headquarters and satellite office in Louisville.



Team Modern photo

The new Modern Distributors facility in Somerset includes an ice cream freezer and regular freezer, as well as updated loading docks.

Leadership Exemplified

The Lexington Convention and Visitors Bureau would like to recognize and thank several individuals who were instrumental in bringing the **National Organization of Black Law Enforcement Executives (NOBLE)** to our wonderful city. Because of the leadership and vision demonstrated by **Chief Ronnie Bastian** and **Chief Anthony Beatty**, this organization not only experienced a pleasant and productive meeting in Lexington, but their attendees also contributed more than \$1.3 million to our city in the form of hotel costs, food, shopping, tourism and taxes. Now, that's investment into Lexington that adds up!

The Lexington CVB also wishes to express gratitude to **Larry Dismukes**, president of Galls, and **J.P. Miller, Jr.**, president and general manager of Paul Miller Ford, for their strategic support and sponsorship of NOBLE's visit.

Lexington is rich with "hometown hosts" like these individuals, and that kind of teamwork is what makes Lexington one of the best places in the nation to live and work!



Chief Ronnie Bastian (top)
Chief Anthony Beatty (bottom)

— LEXINGTON'S — HOMETOWN HOST — PROGRAM —

If you have information on a meeting or convention that should be held in Lexington, contact us today. Send us that information and we'll take it from there. Join the Lexington CVB's Hometown Host program — together, we make Lexington work!

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One of the new businesses open since Danville became “wet” is V-the Market, a boutique liquor store located at 130 South Fourth Street in Danville.

in 2002, allowing alcohol sales by the drink in restaurants with at least 100 seats, but the tipping point to vote wet was due to several factors.

“The moist condition was actually an obstacle to developing a variety of new restaurants or entertainment venues in historic buildings in Danville’s downtown business district,” Lassiter said, adding that with the challenging national and local economy tax dollars more than ever needed to be retained.

“Local consumer dollars and tax revenues had long flowed to neighboring counties that had legalized expanded alcohol sales,” he said.

And despite the stereotypical moral dichotomy versus economics in the city, there was a very positive response to the passing of the referendum. Lassiter said compared to other Kentucky wet-dry elections, Danville’s was a landslide.

He said the downtown openings of Bluegrass Pizza & Pub, Mermaids, Beer Engine, V-the Market and Club Carbon are evidence that the new wet status is a good thing. Additionally, there are five new package alcohol stores throughout town, including the first Liquor Barn store to locate outside of Kentucky’s metro areas.

“And, a new brewing company (Lore Brewing Co.) has opened that will not only sell growlers and kegs of locally-brewed beer, but will be distributing Dan-

BUSINESS SPROUTS IN WET ENVIRONMENT

Danville has new establishments after lifting prohibition last year

BY ABIGAIL LAUB

JUST 30 miles south of Lexington, the idyllic town of Danville is experiencing a downtown resurgence thanks in part to last year’s complete lifting of prohibition on alcohol sales, turning the area “wet” from its previously “moist” status.

Since the March 2010 vote, the effects are still difficult to quantify, but evidence of success as a result of the measure is obvious by looking at what has opened downtown – three new bar/restaurant establishments along with a boutique liquor store and microbrewery are among the several new venues in Danville that are now successful primarily due to alcohol sales.

V-the Market, which is owned and operated by the husband/wife team of Wayne Marshall and Mary Robin Spoonamore is thriving off of the city’s wet status. Opening in June 2010, shortly after the city voted to go wet, V-the Market sells specialty Bourbon, wine, cheeses and chocolates, craft beers and other gourmet delights.

“There was a man in here who was all excited because we have a cheese from the northwest coast of England,” Marshall said. “It is from a farmstead operation that only has 300 cows, and he said the only other place he had ever seen it sold was in Midland, Mich. It’s pretty rare.”

V-the Market specializes in wine tastings, food pairings and other events that attract a variety of taste buds – like Friday Flight Nights that include select Bourbons in a chocolate shell created for V-the Market by Coco’s in Louisville.

Marshall said such gourmet foods like high quality chocolate, cheese from all over the world, jams, jellies, prosciutto and other foods go hand-in-hand with alcohol sales.

“We didn’t do much in the way of market research,” he said. “But we knew we wanted to offer some products, not just alcohol, that had been impossible to get in Danville prior to that (vote).”

Though the passed referendum was met with some resistance in 2010, Marshall said it seems like public opinion has shifted since the law became official on May 4, 2010.

“I don’t really see any animosity,” he said. “Most of the people that we talked to that were opposed to the vote, were honest, straightforward and convicted in their feelings. There weren’t many people that we talked to anyway that were angry and hostile; they just didn’t agree with it. And a lot of those people have come to feel differently about that after the votes.”

Danville-Boyle County Economic Development Partnership Director Jody Lassiter said Danville had turned “moist”

Mary Robin Spoonamore photos



On September 30, V-the Market owners Wayne Marshall and Mary Robin Spoonamore opened an additional store next door called “Jane & Wayne’s Whisky and Wine Bar,” where they have Bourbon tastings and special events.

ville-brewed beer to retailers throughout the state and beyond," he said.

The increased traffic to these downtown establishments is also helping other retail businesses, too. Lassiter said downtown business location inquiries have grown exponentially.

"In the locations where package stores have located elsewhere in town, other development is following in close proximity," he added.

Lassiter thinks that now, thanks to the quick launch of the Beer Engine and Lore Brewing Co., Danville can become recognized as the "Craft Beer corner of the Kentucky Bourbon Trail."

Danville/Boyle County Economic Development Partnership Marketing and Communications Coordinator Charlie Cox agreed that craft beer in Danville is taking off.

"Generally, the 100-seat rule was only utilized by larger chain restaurants, which while we were completely thrilled to have them in our city – I guess their beer options are typically limited by the cooperation with the chain," he explained. "I think people have discovered there are more brews out there. It's pretty amazing that in two years' time, we now have two microbreweries that are open."

He added that the excitement for new food and beverage variety in Danville is evident.



Within a year of the wet vote, local entrepreneurs have been able to open stores without having to comply with the minimum 100-seat state law. Recent locally-owned restaurants and bars include 303 W of Danville, Beer Engine microbrewery, Bluegrass Pizza & Pub, Mermaid's Bar and Bistro, V-the Market and more on the way.



"Variety is the spice of life, and Danville life has never been spicier," he said. "It's really exciting, really kind of refreshing to walk downtown and drive through downtown on a Friday night to see people out and about, laughing and having a good time."

But Danville's downtown success began long before craft beer and wet status.

"Danville's downtown and its Norman Rockwellian nature has always been an attraction," Cox said, adding that the city was the first Kentucky Main Street to be given the Great American Main Street Award, and that was before it was even moist. "It's always been an attraction as a

Mermaids bar and bistro is one of five establishments opened in downtown Danville since a March 2010 vote easing restrictions on alcohol sales.

strong retail-based town," he said. "Cultured travelers have always flocked to our downtown, but from our perspective, going wet and having the options for alcohol-serving establishments for more than 100 seats ... the change has been undeniable in the past year and a half."

Abigail Laub is a correspondent for Prep magazine and editor of The Lane Report's Faster Lane.

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