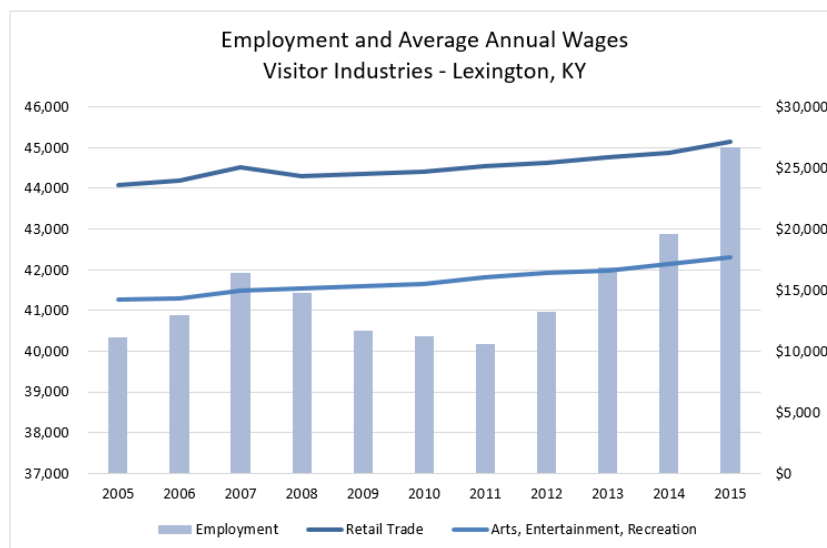




**Bluegrass Advantage in the Visitor Industry**

**February 2017**

Visitor industry activities involve the sale of goods and the accommodations, entertainment, and recreational opportunities available for tourists, visitors, and residents. Different types of businesses are in the visitor industry, including retail trade, travel arrangements and reservation services, convention and tradeshow organizers, professional and management development training, performing arts, spectator sports, museums, historical sites, amusement, gambling, accommodation, food services, and drinking places. Service jobs are core to the visitor industry, particularly live performances of music, theater, dance, and other entertainment, as well in lodging and retail. In 2015, approximately 45,000 people were employed in Lexington’s visitor industries, earning an average annual salary of nearly \$23,000. Salaries range from a high of \$27,000 in retail trade occupations to lows of around \$17,600 in arts, entertainment, and recreation occupations.



Source: Bureau of Labor Statistics.

Lexington and the Bluegrass Region is a great place for business and leisure. Lexington is at the heart of the horse industry, the start of the Bourbon Trail, and the home of the University of Kentucky. Visitors are drawn to Lexington for events and conferences at the Lexington Convention Center, which contains

Rupp Arena and the Lexington Opera House. In addition, Lexington has attracted visitors through both national and international events such as Alltech’s Annual International Symposium and the 2015 Breeders’ Cup World Championship.

Growing the area’s visitor industries is an important area of economic development. Marketing the region for business or recreation involves many partners, particularly VisitLEX, the Lexington Convention and Visitors Center. To help strengthen and grow these industries, Commerce Lexington Inc. and VisitLEX’s teams have embarked upon a more formal partnership to develop strategies to recruit associations and business meetings to the area. Our teams meet quarterly to discuss various topics including infrastructure, marketing strategies, client feedback, incentives and other items, as well as review our strategic plan.



### Local Attractions – Downtown

Downtown Lexington is a vibrant cultural hub with live music, art studios and galleries, museums, theaters, and outdoor festivals. In the past few years, downtown Lexington has deliberately revitalized, adding shops and restaurants that capture the diverse culture of Lexington’s young population, such as Urban Outfitters, Vinaigrette Salad Kitchen, HopCat Brew Pub, Rock House Brewery, and Pies & Pints. Over 100 retail shops and 170 restaurants and bars are located in downtown and the surrounding neighborhoods. Most restaurants are casual dining and patio seating is common downtown, but Lexington has several fine dining options. There are also an array of coffee shops including local favorites Cup of Commonwealth, Common Grounds, and Starbucks.

In the heart of downtown, the Fifth Third Pavilion at Cheapside Park operates weekly events and supports a vibrant nightlife. Thursday Night Live, an outdoor live music event, is held weekly from April to October at the Pavilion and attracts an average of 2,300 people each week. Every Saturday, over 3,000 people visit the Farmers’ Market at the Pavilion to purchase local produce, meats, cheeses, and other products while enjoying downtown.



*Thursday Night Live. Photo: Commerce Lexington Inc.*

The Pavilion is located one block away from Rupp Arena and the Lexington Center, the city’s major event venues. Rupp Arena is classically known as the home of the University of Kentucky Wildcats Basketball, but it also hosts many major concerts and events. The Lexington Center, which manages Rupp Arena, attracts many conventions and large shows including the Kentucky Crafted Market, the annual Emerge Conference, the Alltech Craft Brews & Food Fest, the Central Kentucky Home and Garden Show, plays, and other theatre events. The Lexington Opera House, also managed by the Lexington Center, is just a few blocks away and hosts musicals, ballets, and concerts.

Another popular spot downtown is the Square – a 140,000 square foot collection of retail shops, dining, and entertainment on one city block. Originally built in the 1880s, this beautiful building adds to the historic architecture of downtown and was spruced up in a \$2.3 million renovation in 2014. There are a handful of museums and galleries at The Square, with a mix of shopping and dining, including Urban Outfitters and Sincerely Yours boutique gifts.

Nine museums are located downtown including the Lyric Theater Cultural Center and the Explorium of Lexington, a children’s museum. The downtown universities also contribute to the cultural opportunities. The Otis A. Singletary Center for the Arts at the University of Kentucky annually presents a wide range of nationally and internationally recognized performers, faculty music groups, artists, and a theater department. These events add to the variety of artistic opportunities for local and visiting audiences. Also, the University of Kentucky Art Museum has a diverse permanent collection and has featured many special national shows, including the Armand Hammer Collection. At Transylvania University, the Morlan Gallery hosts a range of traveling exhibitions.

For movie buffs, Lexington has a special attraction beyond several state-of-the art theaters. Built in 1921, the 800-seat renovated Kentucky Theater combines the grandeur of Italian Renaissance architecture with a state-of-the-art projection system featuring Dolby sound. The "Kentucky" is a Lexington landmark, which has become a meeting place for visitors and residents alike. As a revival theater, three to six classic, foreign, first-run, and avant-garde films are shown daily.



*Kentucky Theater*

With so much to do downtown, 21c Museum Hotel recently opened in Lexington’s first skyscraper, the Fayette National Bank Building, built in 1913. This boutique hotel has 88 rooms and an adjacent art museum and a restaurant, Lockbox. Lockbox features locally sourced, seasonal ingredients and vary menu items throughout the year. Housed in the original bank hall of the historic building, Lockbox offers unique dining with a private dining room in the original safe deposit vault.

### **In and Around Lexington**

The lively arts community in the Bluegrass offers an endless selection of dance, theater, and musical opportunities ranging from barbershop quartets to African and modern dance; there is even a performing guitar society. The Lexington Ballet Company promotes interest in classical ballet for both public and school audiences. The Actors Guild of Lexington presents dynamic contemporary theater during its 10-play season. The Bluegrass Theatre Guild in Frankfort produces a variety of Broadway and off-Broadway shows throughout the year. Versailles is home to the Woodford County Theatre which produces four quality plays each year.

Overall, the Bluegrass is home to several cultural arts programs including: Lunch with the Arts, Big Band and Jazz Series, Summer Sunday Sessions, Woodland Art Fair, Shakespeare Festival, Ballet Under the Stars, Woodland Jubilee Festival, Midway Fall Festival, High Bridge Homecoming Festival in Nicholasville,

Wilmore Arts & Crafts Festival, Spoonbread Festival in Berea, The Great American Pottery Festival, Paris Pumpkin Festival, Festival of the Horse in Scott County, and the Folklife Festival in Frankfort. These programs are free and open to all ages.

Lexington boasts a professional orchestra, the Lexington Philharmonic. To make classical music available to everyone, the Philharmonic also conducts free Young People's Concerts, which reach over 14,000 young central Kentuckians, and offer summer programs such as "Picnic with the Pops," an event that has become a Lexington tradition. The Peanut Butter & Jelly Series is a great way to introduce your youngest kids to classical music while combining hands-on learning with demonstrations.

Among the city's fascinating places is the Headley-Whitney Museum, which houses an eclectic collection of rare bibelots and jewel encrusted boxes, Oriental porcelain, and tapestries. The University of Kentucky Art Museum has a diverse permanent collection and has been the site of many special national shows, including the Armand Hammer Collection. At Transylvania University, the Morlan Gallery hosts a range of traveling exhibitions. The Kentucky Military History Museum in Frankfort houses an impressive collection of military memorabilia. The Hopewell Museum in Paris, Kentucky, is dedicated to preserving and fostering an appreciation for culture, history, art, and architecture with a special emphasis on the unique features of Bourbon County. The Bluegrass Heritage Museum in Winchester educates visitors about the region's people and culture.

Yearly activities in Lexington include the July 4th Celebration, Shakespeare in the Park, Roots and Heritage Festival, Bluegrass State Games, Kentucky Christmas Chorus, Dirt Bowl, Memorial Day Weekend, Three on Three Basketball tournament, Museum Go Round, St. Patrick's Day Parade, Junior League Horse Show, Festival of the Bluegrass, and many other city-wide events.

**VisitLEX's Top Ten Things to Do**

1. Kentucky Horse Park
2. Horse Farm Tours
3. Historic Homes
4. Shaker Village of Pleasant Hill
5. Shopping
6. Keeneland Race Course
7. Bourbon Distillery Tours
8. Bluegrass Country Driving Tour
9. Downtown Lexington
10. Beyond the Grits—over 120 non-chain restaurants



For more than 200 years, Kentucky's legendary distilleries have crafted the world's finest bourbons. This tradition can be explored on the Kentucky Bourbon Trail tour, featuring six signature distilleries within 30 miles of Lexington, including Alltech's Lexington Brewery and Distillery in downtown. Another famous Kentucky brand, James E. Pepper whiskey, is re-opening in late 2017 in Lexington's Distillery District, where it originated in 1879. The \$1.3 million investment will include a museum and tourist destination. CNN recently named the Kentucky Bourbon Trail a "Top 10 Classic American Experience."

Although Kentucky is famous for its bourbon, the craft beer movement in Lexington and the Bluegrass Region is alive and well. Craft breweries are now scattered across Kentucky, and more of our residents are seeking out small craft brewers and locally-made beers in addition to

sampling our classic bourbons. The Brewgrass Trail is dedicated to showcasing the craft brewers establishing themselves in the Bluegrass.

Within Lexington, there are seven craft breweries including West Sixth Brewing, which has a large running club and yoga classes. Country Boy Brewing is another popular brewery located adjacent to downtown. They are currently expanding their operations in Georgetown, Kentucky.

Located on 15 acres just one mile outside of downtown, the Lexington Distillery District is a collection of historical industrial buildings with unique attractions, including shops and art spots, and vivid street art by PRHBTN. Art, ceramic creations, hand-stamped cards, and unique jewelry made by Kentucky artisans are for sale at Made KY, and nearby M.S. Rezny Studio and Gallery features photography, collage, paintings, and other art media. Visitors can also eat dinner at the Middle Fork Kitchen Bar, enjoy craft ice cream such as Bourbon & Honey at the Crank and Boom Dessert Café and Lounge, sit on the patio at the craft microbrewery Ethereal Brewing, or relax and play corn hole on the Break Room's patio.



Louis Armstrong mural. Photo: [www.kentucky.com](http://www.kentucky.com).

CreativeMornings Lex brings the city's creative community together to hear from a guest speaker every month at exciting locations in Lexington, where attendees network, share ideas, and inspire creativity while enjoying breakfast foods and coffee. CreativeMornings is new to Lexington in 2017 and has been fully embraced by the city. Recent host sites include 21c Museum Hotel and LexArts. CreativeMornings chapters are typically found in cities with over 500,000 people, but Lexington's creative and inspiring community proved to be the perfect environment for CreativeMornings.

The University of Kentucky athletics program provides sporting events year round. Rupp Arena is the home court of the University of Kentucky Wildcats, the 2012 NCAA Men's College Basketball National Champions. It is one of the largest arenas of its kind and it is located in the heart of the downtown area.



Rupp Arena. Photo: [www.ukathletics.com](http://www.ukathletics.com)

The Kentucky Wildcats have a rich history in college basketball with eight NCAA National Championships and numerous Final Four and Runner-up banners. Wildcat fans are highly dedicated, and it isn't uncommon for the average yearly attendance to exceed the stated capacity of Rupp Arena. Adjacent to Rupp Arena are a convention center, hotel, shopping mall, and numerous restaurants at the Lexington Center.

In addition to college basketball, Kentucky Wildcat fans also pour into the 61,000-seat Commonwealth Stadium in the fall for exciting SEC football games. Commonwealth Stadium is quickly becoming a tailgating mecca as football fans enjoy the warm autumn weather and match-ups with the top teams in college football. Kentucky football holds a unique and storied tradition that began in 1881, when they

were the first Southeastern Conference team to introduce football into its athletic program. Kentucky football has won one national championship, two Southeastern Conference championships, and appeared in 13 bowls. The Wildcats are the 2006 & 2007 Gaylord Hotels Music City Bowl and 2008 AutoZone Liberty Bowl champions.

A Class A affiliate to MLB's Kansas City Royals, the Lexington Legends are the hometown baseball team for Lexington and the Bluegrass Region. Featuring an exciting summer schedule of baseball, fireworks, and concerts at Whitaker Bank Ballpark, the Legends are a great way to enjoy America's pastime. Two major national sports teams are just an hour away in Cincinnati. The Cincinnati Reds Major League Baseball team is based in Cincinnati, Ohio and plays home games at the Great American Ball Park, which hosted the 2015 Major League Baseball All-Star Game. The Cincinnati Bengals are also housed in Cincinnati, which means that Lexingtonians are only an hour's drive from attending a professional NFL game at the Bengals' home stadium, the Paul Brown Stadium, located in downtown Cincinnati.

### Equine Attractions

According to [VisitLEX](#), there are approximately 150 horse farms in Lexington and about 450 in the region. Horse farms typically focus on a specific breed of horse and farms in the Bluegrass Region tend to specialize in breeding and training Thoroughbred horses for racing. The 2012 Kentucky Equine Survey estimates that there are over 24,600 horses in Fayette County, including 17,000 Thoroughbred horses valued at \$2.5 billion. Another 42,210 Thoroughbred horses in the Bluegrass Region are valued at over \$4.9 billion.



Photo: [www.kentuckytourism.com](http://www.kentuckytourism.com)

In addition to horse farms, Lexington is home to the Red Mile Harness Track, Keeneland Race Track, the Kentucky Horse Park, the International Museum of the Horse, equestrian retirement facilities such as Old Friends Farm, world class equine medical facilities, and research and development at the University of Kentucky, a leader in animal sciences and equine research.

Horse racing is a major part of the horse industry and living in Lexington. The [Red Mile Harness Track](#) is the second oldest harness track in the country, known for its one-mile track made of red clay. However, [Keeneland](#) is the more popular racing facility, drawing the world's best horses. Thousands of people every year flock to Keeneland to bet on the horses and spend time enjoying the festive atmosphere in a unique entertainment venue, and the [Keeneland Library](#) is one of the largest resources for horse and racing information in the world with approximately 30,000 books, 400,000 photographic negatives, and thousands of other historic documents.

Keeneland is also a significant contributor to Lexington's local economy. The University of Kentucky's Center for Business and Economic Research recently conducted a [study](#) to determine Keeneland's impact on Fayette County's economy by surveying participants at the 2014 Fall Meet, the September Yearling Sale, and the November Breeding Sale. All together, these three events generated \$75.6 million

in direct spending in Fayette County and almost \$6.4 million in tax revenue that would not have entered Fayette County without Keeneland. In total, Keeneland's Fall Economic Impact was \$455 million.

In 2015, Lexington hosted the Breeders' Cup World Championship at Keeneland for the first time. Lexington welcomed the Breeders' Cup with a week of events and activities, such as the Feeders' Cup, the annual Thriller Parade, Here Come the Mummies, the Post-Position Draw party, the Prelude to the Cup, art exhibits, horse farm tours, breakfasts at the track, and live music. The city expected 24,000 to 40,000 visitors each day, bringing revenue to Lexington's restaurants, shops, and hotels that otherwise would not have entered the local economy. The economic impact is expected to be at least [\\$65 million](#).



Photo: [www.keeneland.com](http://www.keeneland.com)

The [Kentucky Horse Park](#) is another asset to the region's horse industry. With 1,200 acres, the Kentucky Horse Park is a working farm with 50 breeds of horses. Over 30 equine management and breed organizations are located in the park, including the National Horse Center, the United States Equestrian Federation, the Kentucky Thoroughbred Association, and the [International Museum of the Horse](#), the largest, most comprehensive horse museum in the world.

Many equestrian events are held at the Kentucky Horse Park, including the Rolex Three Day Event, the National Reining Championship, and the [2010 World Equestrian Games](#). In fact, Lexington was the first location outside of Europe to host the World Equestrian Games, a testament to Lexington's equestrian culture and strong equine industry. Of the more than 507,000 Game attendees, 70% were from out-of-state, meaning that Lexington's horse industry attracted 307,000 people that otherwise would not have spent money in Lexington (direct spending was \$128.2 million). In total, the 2010 Games brought \$4.5 million in local tax revenue to Lexington and \$18.38 million to Kentucky in state tax revenue.

### **Lexington's Convention Industry**

In addition to local attractions, Lexington has a growing convention industry anchored by the Lexington Center. Lexington's visitor industry and convention center will get a boost in the coming year with a [\\$250 million expansion and renovation](#) of the Lexington convention center. The project will begin in Spring 2017 and create a new 100,000 square foot exhibit hall, 22,500 square foot ballroom, and 30,000 square feet of meeting space to help Lexington remain competitive, retain, and expand convention center business and attract events. The Kentucky General Assembly approved \$60 million in state funding towards the project in April 2016, and the remaining funding will include city bond money, hotel and motel tax increase, and borrowing.

Currently, the convention center features a beautiful 17,000 square foot Grand Ballroom, a conference center on the upper level, 66,000 square feet of exhibition space, 40,000 square feet of meetings rooms, an additional 25,000 square feet of pre-function spaces, and ample parking.

The Lexington Convention Center connects to the famous 24,000 seat Rupp Arena, the Lexington Opera House, The Shops at Lexington Center, and Triangle Park. The Center is in the heart of Lexington's historic downtown. Retail boutiques, wonderful restaurants, and many entertainment opportunities are all within easy walking distance in a city famous for its scenic beauty, small-town charm, and hospitality.

With the many attractions to Lexington, the city's hospitality services are increasingly important. The University of Kentucky's Department of Retailing and Tourism Management offers bachelor's and master's degrees in hospitality, tourism, and retailing management. Students complete projects and coursework on many aspects of the visitor industries, including convention and meeting planning, special events coordinating, principles of food and beverage, hospitality and tourism marketing, principles of travel and tourism, strategic management in the hospitality and food service industry, and bourbon tourism in Kentucky. Sullivan University Lexington campus offers associate's and bachelor's degrees in culinary arts, event management and tourism, and hospitality management. These programs ensure a reliable workforce with hospitality experience that allows the industry to grow.



### **Local Attributes**

More generally, Lexington's workforce is one of the city's strongest assets. The 2015 Census data ranks Lexington the 11<sup>th</sup> most educated city in the nation, with 41.6% of the population 25 years or older with a bachelor's degree. Even more impressive, 18.9% of the population over age 25 has an advanced degree, ranking Lexington #9 among cities with at least 300,000 people. This is due in part to being within 40 miles of 10 colleges and universities. Nearly 70,000 students are enrolled in these institutions, graduating over 15,000 annually. In 2014, the World's 24<sup>th</sup> Smartest City by *National Geographic*.

Lexington also has many competitive advantages for attracting and retaining business. Kentucky's industrial sector energy costs are among the lowest in the nation, averaging almost 20% lower than the national average. Lexington also enjoys the advantage of location. When the local business community was surveyed and asked why they choose to locate their businesses in Lexington, the number one answer was close proximity to their customer base and/or suppliers. Lexington has excellent air and interstate access to the rest of the state and to metro areas outside of the region. These transportation attributes make Lexington a regional hub that provides excellent geographic proximity to market needs.

While Lexington is a first class place to do business, it is also one of the best places to live and raise a family. The region enjoys a wealth of natural beauty and offers various outdoor activities that take advantage of those resources. The high quality of life and good school systems help Lexington receive consistent recognition such as ranking #8 Best Large City to Live In by *WalletHub* in 2015, #21 Best County for Young Professionals by *Niche* in 2016.



## **Appendix – List of Visitor Industry Related Businesses**

21c Museum Hotel  
AAA Allied Group, Inc.  
Andover Golf & Country Club, Inc.  
Avant Travel Agency, Inc.  
The Best of Lexington  
Blue Grass Tours, Inc.  
Boyd Orchards  
Buffalo Trace Distillery  
Candlewood Suites  
Central Catering at Fasig-Tipton  
Cherry Blossom Golf Club  
Cincinnati Reds  
Clarion Hotel  
The Club at Olde Stone  
Comfort Inn  
Comfort Suites  
Country Inn & Suites Hotel  
Courtyard by Marriott Lexington North  
Creative Lodging Solutions, LLC  
Crowne Plaza – The Campbell House  
Doubletree Guest Suites Lexington  
EKU Center for the Arts  
Embassy Suites Hotel  
Equestrian Events, Inc.  
Explorium of Lexington  
Fairfield Inn & Suites Lexington North  
Fairfield Inn by Marriott  
Gattitown Lexington  
Gratz Park Inn  
Greer Companies  
Griffin Gate Marriott Resort and Spa  
H & W Hotels LLC

Hampton Inn at I-75  
Hampton Inn South  
Headley-Whitney Museum  
Hilton Garden Inn  
Hilton Lexington Downtown  
Hilton Suites Lexington Green  
Holiday Inn Express Hotel & Suites Downtown  
Holiday World & Splashin' Safari  
Homewood Suites by Hilton  
Homewood Suites by Hilton – Hamburg  
Hyatt Place Lexington  
Hyatt Regency Lexington  
Inn on Broadway  
Integration Unlimited, LLC  
Keeneland Association, Inc.  
Kentucky Horse Park  
Kentucky Lottery Corp.  
Kentucky Speedway  
Kentucky Theatre  
Lexington Center Corporation  
Lexington Children's Theatre  
Lexington History Museum  
Lexington Ice & Recreation Center  
Lexington Philharmonic  
Lexington Relocation  
Little Gym of Lexington  
Lundergan Group  
Lyric Theatre and Cultural Arts Center  
Maker's Mark Distillery  
Monkey Joe's  
Ramada Conference Center  
Ramada Limited Hotel  
The Red Mile

Red Roof Inn South  
Residence Inn Lexington Keeneland/Airport  
Residence Inn South by Marriott  
Rolling Video Games of Kentucky  
Sleep Inn  
Springhill Suites by Marriott  
Thoroughbred Center  
Travel Authority  
Trust Lounge  
University Inn  
Wild Thyme LLC  
Wilshire's  
Woodford Reserve Distillery

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