

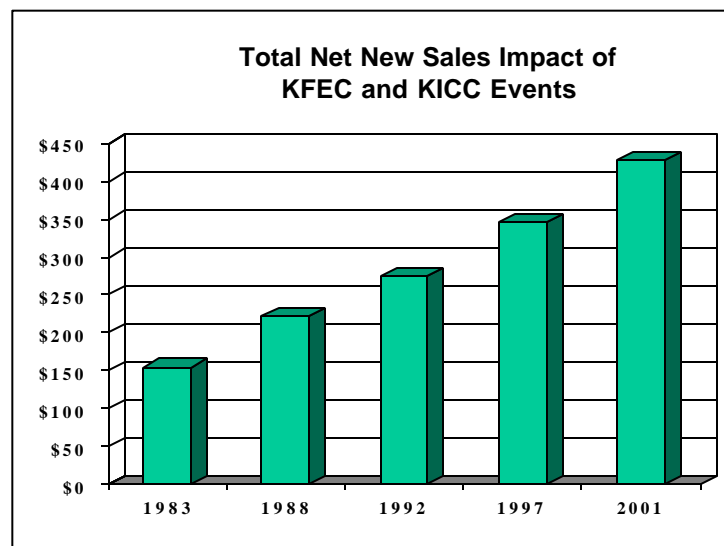
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ECONOMIC IMPACT STUDY OF THE KENTUCKY STATE FAIR BOARD YIELDS HIGH RETURNS FOR THE COMMONWEALTH

LOUISVILLE, KY (January 16, 2002) ... Strong findings from a new economic impact study of Kentucky State Fair Board events point to a steady growth in events generating \$427 million annually in economic impact on local and state economies. The 2001 study, conducted by Paul Coomes and Barry Kornstein of the University of Louisville's economics department, shows a 16 percent increase in economic activity since the last report four years ago.

"The growth is remarkable," notes Coomes, "when you consider the adversarial factors. First was the economy. The past year has been challenging for most organizations and was made even more so by the events of September 11th. Secondly, the exposition center saw major tenants move elsewhere, including the



University of Louisville football team and the Bats minor league baseball team. At the same time, there was a rare downturn in attendance at U of L basketball games.

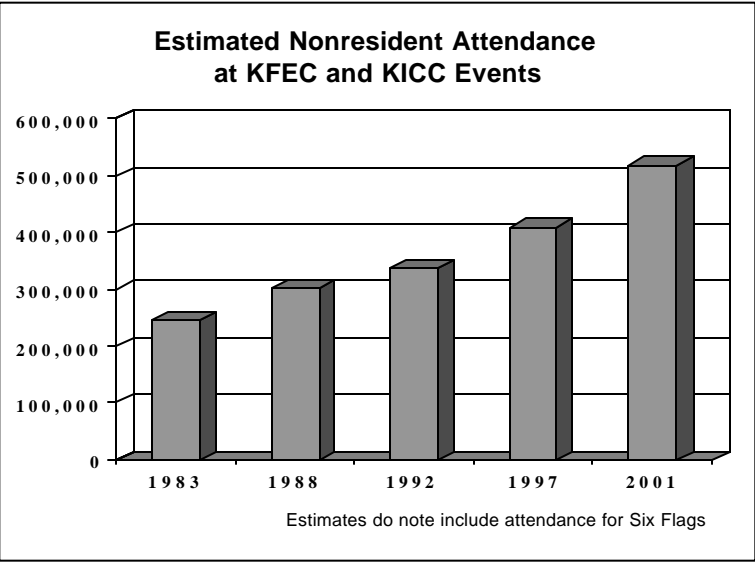
"To grow under these circumstances – and to grow substantially – is quite an accomplishment," said Coomes.

So what is driving new business to the Kentucky Fair & Exposition Center? The data clearly shows that it is conventions, trade shows and consumer shows.

“The beauty of hosting a trade show,” adds Coomes, “is that they bring new money into the state as opposed to circulating money from people who already live here. Both are advantageous, but getting new dollars has a stronger economic impact.”

The Kentucky Fair & Exposition Center (KFEC) and Kentucky International Convention Center (KICC), both operated by the Fair Board, showed significant growth in the number of events and nonresident attendees.

Nonresident attendance accounted for over 760,000 room nights at area hotels and motels as well as more than \$211 million spent in the local community. Furthermore, the National Farm Machinery Show and Kentucky State Fair, both produced by the Fair Board, were the top two events



of 2001 based on total nonresident expenditures.

These types of activities reach far beyond the boundaries of the exposition center and the convention center. Trade and consumer shows increase air traffic at Louisville International Airport. And because many conventioners drive to events, they often stop at tourist attractions along the way, such as the Corvette Museum in Bowling Green (just I-65), the Kentucky Horse Park in Lexington (near the I-64 and I-71 interchange), and many others.

The study prominently notes that events at the Kentucky Fair & Exposition Center and Kentucky International Convention Center “have a **great economic impact...and contribute tens of millions of new tax dollars annually to state and local governments.**”

On the employment front, the study shows that an increase in the number of Fair Board events directly supports approximately 8,700 jobs locally with a payroll of about \$140 million. When it comes to creating tax revenue, the report revealed that \$24.2 million was produced in state sales and income taxes in addition to over \$5.8 million in local occupational and room taxes. Even more revealing, approximately 95 percent of these new tax dollars are generated by nonresident attendees and exhibitors of Fair Board events, not Kentucky residents.

The study is based on services provided by Fair Board facilities and the Fair Board's positive financial effects – new business, income, jobs, and tax revenues – on the local and state economies. Nonresident attendees consist of the thousands of exhibitors, delegates, and spectators from across the country who attend the events. These visitors spend dollars in the local economy which would have been spent in another state had the Fair Board facilities not hosted the event.

The 2001 economic report tracked all major events between October 1, 2000 and September 30, 2001. Results are compared to a previous study in 1997. Some of the detailed estimates from the '97 results have been revised so they can be accurately compared to the 2001 report and take into account inflationary factors.

“It’s clear from the studies that we’ve done over the years that the exposition center and the convention center are great assets for the state and contribute significantly to the economy,” concludes Coomes.

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