



**ERNIE FLETCHER**  
GOVERNOR

COMMONWEALTH OF KENTUCKY

**GEORGE WARD**  
SECRETARY

## **COMMERCE CABINET**

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September 27, 2008

Dear Tourism, Arts and Heritage Friends,

Governor Ernie Fletcher made an exciting announcement on Thursday, September 27, 2007. As a part of his 2008 legislative plans, the Commerce Cabinet will be renamed the Tourism, Arts and Heritage Cabinet. The governor and I believe this new name is a much better description of the cabinet and our mission.

Tourism, Arts and Heritage is the business focus of our cabinet. Tourism development includes new attractions, new accommodations, expansion of existing tourism venues, convention/conference marketing, and sports venues. We encourage and provide support in market development for our artists, historic downtown redevelopment, equine headquarter expansion, expanding recreation opportunities, attracting international trade shows or sporting events, and expanding museums and special exhibits. All these activities contribute to Kentucky's economic success.

Tourism is a ten billion dollar a year industry in Kentucky and has earned recognition at the cabinet level. The arts are an essential part of quality life in the Commonwealth and a major component in everything we do including educating our children. Heritage preserves our traditions and tells our life stories. It includes the history, heritage and humanities groups that this cabinet represents. The new name lets the public and industry professionals know that Kentucky places a high value on Tourism, Arts and Heritage.

Through Governor Fletcher's leadership, we are in a position to continue our economic growth. We created and passed the One Percent Transient Room Tax, as a part of his Tax Modernization plan. This gives the tourism industry the advertising and promotion money it needs to compete with other states. It also has a built in growth mechanism. More advertising leads to more hotel revenue, more hotel revenue leads to more advertising money.

To ensure this new money is spent wisely, the Kentucky Dept of Tourism now uses nationally recognized research companies to quantify our results. The Travel Industry of



America Association measures economic impact, Smith Travel Research is used to measure hotel occupancy and revenue, and D.K. Shiflett and Associates measures customer demographics and attitudes. Data is broken down by tourism region and in some cases county by county. Local attractions and regions of the state can now target their advertising and promotions instead of using a shotgun approach.

We also created a unified state brand and marketing focus – Kentucky Unbridled Spirit. Research shows that we have the most widely known state brand in this part of the country. Nearly 90% of all Kentuckians surveyed can match Unbridled Spirit with KY. 45% of non-residents tested can as well. Research also shows that more people have a better impression of Kentucky than they used to – and I think that is directly related to the brand. More people think better of the state and more people are visiting than ever before.

The original intent in calling the cabinet “Commerce” was to combine all of Kentucky’s many economic development, tourism and cultural assets under one cabinet. This included the Cabinet for Economic Development and the Office of Energy. When the two cabinets were not combined, the name “Commerce” created confusion. In many states Commerce meant banking or providing incentives to manufacturing companies, high tech facilities or corporate headquarter relocations. John Hindman, the new secretary of the Cabinet for Economic Development has expressed his concern about the confusion as well. The name change to the Tourism, Arts and Heritage Cabinet will correct that confusion.

The Kentucky Cabinet for Tourism, Arts and Heritage includes the following agencies: Kentucky Department of Tourism, Kentucky Department of Parks, Kentucky Department of Fish and Wildlife Resources, Kentucky Historical Society, Kentucky Humanities Council, Kentucky State Fair Board, Kentucky Sports Authority, Kentucky Heritage Council, Kentucky Center for the Performing Arts, Frankfort Convention Complex, Governor’s School for the Arts, Kentucky Artisans Center in Berea, Kentucky Arts Council, Kentucky Horse Park and the Office of Creative Services.

Sincerely,



George Ward

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