

## BOURBON

# Kentucky bourbon tourism has record year, with \$2.1 billion in investments. What that means



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Kentucky bourbon survived 13 years of prohibition and the immediate following halt of distilling during World War II only to endure a so-called "golden age" in the years after the war.

Now, the bourbon industry across the state is once again flourishing at unprecedented rates; helping to draw in a record year of tourism and the best year for growth the spirits industry has ever seen.

"Bourbon is booming," Gov. Andy Beshear told the Courier Journal on Dec. 19. "I don't see it slowing down any time soon. I see more craft distilleries that are likely to open, and I see them continuing to move all over the state."

On Dec. 15, Beshear announced that in 2022 "Kentucky recorded its best year for growth of its signature bourbon and spirits industry, with over \$2.1 billion in new investments and approximately 700 new jobs for Kentucky residents."

As the bourbon industry continues to grow across the commonwealth, here's a look at what that means.

## **Bourbon is a key tourism attraction in Kentucky**

**More:** Bourbon is big business in Kentucky. Here are 14 bourbon projects opening in 2024

When traveling to Kentucky, it is nearly impossible to miss the 47 distillery attractions on the Kentucky Bourbon Trail, and for many visitors, bourbon is part of the draw to visit. In 2022, nearly 76 million tourists came through the state, spending more than \$8 billion. This visitor level surpasses pre-pandemic 2019 tourism levels and generated \$12.9 billion in economic impact for Kentucky, a new state record.

"I'm waiting on the numbers from 2023 but at the very least, I think it'll be the second biggest year," Beshear said. "2022 had the most visitors to the Bourbon Trail ever. I do believe 2023 will beat that, and 2024 will beat even that."

Roughly 95% of the world's bourbon comes from Kentucky and in recent years, the commonwealth's "distilling industry has really embraced tourism, much like what you see in Napa," said Mike Mangeot, the commissioner of tourism for the Kentucky Department of Tourism.

More than two million travelers visited the Kentucky Bourbon Trail in 2022, according to the Kentucky Distillers' Association. The most visited distillery in the state, Buffalo Trace, which is not a member of the trail, saw more than 470,000 guests in the same period, according to Mangeot.

Small, family-run distilleries across the state are also seeing success. The Neeley Family Distillery in Gallatin County offers tours, tastings, and a full bar every day of the week, said Royce Neeley, owner and Master Distiller. The 11-generation family distillery has "developed a great cult following over the world" and welcomes around 60,000 visitors annually.

"The industry reaches consumers all across the United States with a growing demand and has untapped potential as demand continues to grow very quickly in popularity internationally," Mangeot told the Courier Journal. "The more people learn about bourbon, the more opportunity we have to invite them to Kentucky to enjoy a fulfilling bourbon experience."

Going after the popularity associated with "America's native spirit" is something the Beshear administration has supported, namely through marketing efforts such as the Kentucky Department of Tourism partnership with Brand USA, the destination marketing organization for the U.S., Mangeot shared.

While 2023 data on the bourbon industry has yet to be released, Mangeot "suspect(s) we will see another year of great economic impact" and predicts 2024 will be fueled by further growth across both bourbon and tourism, noting the state has 25 multijurisdictional tourism projects launching or continuing in their early stages, most of which were funded via the American Rescue Plan Act.

"Bourbon sets us apart and is something that we, as Kentucky, can specifically own," Mangeot said. "The bourbon industry allows us to offer experiences you can't find anywhere else."

## **The growth of bourbon tourism in Louisville**

Louisville's relationship with bourbon tourism efforts, known as bourbonism, a term coined by former Mayor Greg Fischer, can be traced back to 2006 when Louisville Tourism sought a new brand identity to help promote the city. Eventually, the tourism team decided to "lean-in" to bourbon, a Kentucky cultural asset, and adopted "Gateway to Bourbon Country" as its identity.

At the time, the Kentucky Bourbon Trail was much smaller, and Louisville was without any visitor-related bourbon experience in city limits, Rosanne Mastin, communications and public affairs manager with Louisville Tourism told the Courier Journal.

Over the next couple of years, Louisville's promotion of bourbonism had grown and the Urban Bourbon Trail was born in 2008. And by 2013, Mastin said the city was no longer the "Gateway to Bourbon Country" but rather had morphed into "Bourbon City."

The 2013 opening of the Evan Williams Bourbon Experience within Louisville city limits started the trend of tasting rooms and smaller distillery operations being able to succeed and grow in an urban area. The Evan Williams immersive visitor's center allows guests to experience and taste the history of its bourbon in the historic Whiskey Row.

"As the first distillery to return to Whiskey Row since the original heyday, the [Evan Williams Bourbon Experience] has led the way for revitalizing 'Bourbonism' or the art of bringing Bourbon-based Tourism to Louisville and Kentucky overall," said Jeff Crowe, director of Kentucky visitor experiences at Heaven Hill.

Since then, more than a dozen bourbon-related attractions have popped up along urban areas including Louisville, Lexington, and parts of Northern Kentucky.

In a 2019-20 study shared by Louisville Tourism, Louisville's bourbonism was the top factor behind a visit to the city, with 30.9% of visitors alluding to bourbon being what drew them to the metro area. In the same study, 43.9% of all respondents took part in bourbon tastings and 39.1% went on a distillery tour.

But it's no accident that Louisville Tourism was able to turn Kentucky's famed brown water into a travel hotspot. The tourism team strategically worked with marketing firms and the Louisville Muhammad Ali International Airport to align direct flights toward targeted regional areas and specific flight markets to make Bourbon City accessible. As a result, Louisville Tourism won 11 awards from the Kentucky Travel Industry Association, seven of which represented the utilization of Bourbon as a primary driver for visitation, and Travel + Leisure recently named the city as one of the "50 Best Places to Travel in 2024."

"Travelers are looking for authentic experiences and offering a taste of America's only native spirit is just that," Mastin said. "Luckily, Louisville is not a one-trick pony and has many more assets to offer visitors including icons such as the Kentucky Derby Museum/Churchill Downs, Muhammad Ali Center and the Louisville Slugger Museum and Factory, and many other attractions."

## **What bourbon projects are coming to Kentucky in 2024?**

Since Beshear took office, the state has expanded its bourbon industry with 96 projects across the state. Here's a look at numerous additional projects and recently opened venues expected to make headway in 2024:

**Note:** *All items in this list and anticipated openings were provided by the Kentucky Department of Tourism, Louisville Tourism and/or previous Courier Journal reporting. This list does not include every bourbon-related venture coming to the state.*

*More information can be found here.*

Angel's Envy recently announced a second expansion, which will add 60,000 square feet across the street from its Louisville Main Street flagship headquarters, complete

with a proposed pedway connecting the two buildings. The first expansion, which was completed in 2022, added five tasting rooms and doubled its annual guest capacity. Augusta Distillery in Bracken County has announced its first full-scale operation in Kentucky by renovating a 40,000-square-foot building, formerly home to the F.A. Neider Co. in Augusta. The company is investing \$23 million to build a state-of-the-art distillery, guest experience and event center. The facility is expected to be operational by summer 2024.

Bardstown Bourbon Co. has opened a tasting room on Whiskey Row in downtown Louisville. The new facility features a full-service bar with innovative craft cocktails and unique tasting experiences.

Barrel House Distilling Co. in Lexington plans to expand its production facility 30 miles north into Cynthiana. In addition to distilling bourbon and various other spirits, the \$1.8 million project will yield an event space capable of hosting up to 100 guests. Additionally, the new location will be a stop on the Moonshine Trail and Kentucky Bourbon Trail. Construction is set to begin in early 2024.

Brothers Wright Distilling has unveiled plans to build a distillery and visitors center in Pike County, with plans to age bourbon in an underground Appalachian coal mine. The 12,000-square-foot project will feature a distillery, rick house, welcome center, museum, and restaurant. Construction is expected to finish by the end of 2024.

Buzzard's Roost Whiskey Row Experience recently opened in downtown Louisville. The venue emphasizes education about the art and science of whiskey.

D.A.A.D Distilling in Lancaster plans to open a Black-owned bourbon distillery on property once owned by a Ku Klux Klan leader. The distillery is slated to open in 2025. Heaven's Door, a whiskey brand owned by Bob Dylan, is set to open a new distillery in Pleasureville as well as a brand experience in the NuLu neighborhood of Louisville. The distillery, which is 45 miles east of Louisville, will be primarily for production. The brand experience, dubbed the Last Refuge, is set to open in a former church on East Market Street. The property will feature a whiskey bar, restaurant and live event space. J. Mattingly's 1845 Distillery recently opened in Frankfort. The 23,000 square foot facility includes a gift shop, tasting bar, small pot still and a custom bourbon blending experience.

Lawrenceburg Bourbon Company, owned by a Navy combat veteran, opened its new distillery in October. The facility emphasizes the hiring of military veterans, and its

new gift shop and tasting room are now open.

Pursuit Spirits launched two new behind-the-scenes distillery experiences at its facility on Mellwood Avenue in Louisville. The "Whole Shebang" experience gives bourbon lovers a chance to learn about mash bills, blending, and maturation from our expert guides, partake in their own private barrel selection, and then fill a personalized bottle to take home. The second experience, "Pursuit United Breakdown," is a 45-minute deep-dive into Pursuit's limited small-batch bourbon. Guests will taste the individual distillates that makeup Pursuit United at cask strength, learning the unique profiles and stories behind each component.

Rabbit Hole Distillery announced a planned expansion, set to span an entire half-block in Nulu and include a single barrel tasting facility, gift shop, bar area and expanded office space. The enhanced visitor experience would include tasting rooms, a gift shop, a single-barrel tasting facility, and a courtyard area. It could welcome approximately 150,000 people annually.

RD1 Spirits is developing a \$4.8 million destination to honor the past and future of Lexington's connection to the bourbon industry. The project will have tours, personalized blending experiences, tasting rooms, a cocktail bar, a gift shop, and an event space. The company's unique offerings will make it a must-visit for bourbon enthusiasts and tourists alike.

Western Kentucky Bourbon Company recently celebrated the grand opening of its 25,000-square-foot distillery. The facility, located in Beaver Dam, will be able to distill 50,000 barrels of whiskey a year and store 250,000. The startup distillery, led by 8th Generation Master Distiller Jacob Call, broke ground in November 2022 and filled its first barrel of bourbon whiskey on July 19, 2023. The distillery is not yet open to the public.

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