

INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY

Subcommittee on Economic Development, Small Business, and Information Technology

Minutes of the 1st Meeting of the 2019 Interim

July 19, 2019

Call to Order and Roll Call

The 1st meeting of the Subcommittee on Economic Development, Small Business, and Information Technology of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Friday, July 19, 2019, at 1:00 PM, at the CVG Centre in Erlanger, Kentucky. Representative Diane St. Onge, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Diane St. Onge, Co-Chair; Senators Ernie Harris, Wil Schroder, and Reginald Thomas; Representatives Lynn Bechler, George Brown Jr, Chris Freeland, Jim Glenn, Jim Gooch Jr., Richard Heath, Josie Raymond, Bart Rowland, Maria Sorolis, Cherlynn Stevenson, Nancy Tate, and Les Yates.

Guests: Kristen Baldwin, Vice President of Public Affairs and Communications, Northern Kentucky Chamber of Commerce; and Brian Cobb, Chief Innovation Officer, CVG Centre.

LRC Staff: Andrew Manno, Chip Smith, Candice Messer, and Sasche Allen.

Northern Kentucky Chamber of Commerce Introduction

Kristen Baldwin, the Vice President of Public Affairs and Communications for the Northern Kentucky Chamber, welcomed members to Northern Kentucky. She said that although the area only makes up 10 percent of the state's population, it accounts for 20 percent of state tourism. Mrs. Baldwin also explained that there is a need for infrastructure funding to continue to make improvements in the area.

Cincinnati/Northern Kentucky International Airport: 2019 CVG Update

The CVG Airport encompasses 7,700 acres, which is larger in land area than the city of Florence, and have runways that are positioned in a way to lessen noise for the surrounding area. In June 2019, CVG set a new all-time local passenger record of 426,246

passengers served. According to U.S. Department of Transportation rankings, CVG's \$346 average airfare is the lowest in the region, and it is the only airport in the region lower than the national average of \$353. In June 2019, Frontier Airlines announced new nonstop routes from CVG in the fall of 2019 to include Fort Lauderdale, Miami, New Orleans, and Sarasota-Bradenton. The airport is a regional jobs hub with more than 70 employers on campus and more than 31,000 total jobs supported. Employees are 52 percent Kentucky residents, 38 percent Ohio residents, and 10 percent Indiana and other state residents. CVG has an annual economic impact of \$4.4 billion, and the total passenger volume has grown 38 percent since 2015. Air service growth has been driving down airfares and therefore contributing to increased passenger volume. Every year since 2016 CVG has supported more than \$21 million in income tax revenues for the Commonwealth and more than \$4 million for Ohio. Furthermore, the airport supports more than \$625 million in direct labor income and more than \$1.3 billion in total labor income.

In January 2017 Amazon announced that its new air cargo hub will be located at CVG. This represents a \$1.5 billion investment and is projected to create 2,000 jobs at its initial opening. The Amazon Prime Air hub will be over 900 acres and include a three million square foot sorting facility, a loading dock, and ramp space for 100 planes. Until construction of phase one is complete in the third quarter of 2021, Amazon has partnered with DHL to utilize its existing space for package sorting. Groundbreaking for the major project took place May 2019.

Creating a hub of innovation has been a top priority for the airport. CVG is presently engaging startups, integrating universities through research and development, partnering with established companies, and navigating positive regulatory change. Partnerships with startups and universities such as University of Louisville, University of Kentucky, and Northern Kentucky University have been utilized to improve and explore logistics, cyber security, application development, work health and safety, and weather applications. CVG is currently working on automated kiosks for passenger check in that will maximize efficiency and lower costs. Self-navigating Segways that could be used by those with limited mobility are being developed. Lastly, CVG is working to develop wearable technology for individuals with vision disabilities.

Answering a question from Representative Jim Glenn who mentioned the airport in Singapore that has become a tourist attraction, Mr. Cobb said that CVG's main focus is to concentrate on consumers and to offer multiple carrier options.

Responding to Co-Chair Danny Carroll, Mr. Cobb stated that partnerships with regional airports have been created when a plane may require maintenance when it has landed at another regional airport or cases when inclement weather is a factor.

Addressing Co-Chair St. Onge, Mr. Cobb explained that the General Assembly can assist CVG by formulating solutions to connect those looking for employment with the actual job opportunities.

There being no further business, the meeting was adjourned.