



## Commonwealth of Kentucky Governor's Office

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### **Independent Stave Breaks Ground on \$66.5 Million, 220-Job Cooperage in Morehead**

**Barrel manufacturer plans to open new Rowan County facility in 2021**

**FRANKFORT, Ky. (June 4, 2019)** – Gov. Matt Bevin today congratulated barrel manufacturer Independent Stave Co. for starting construction on its \$66.5 million Commonwealth Cooperage in Morehead, expected to create 220 Kentucky jobs in the coming years.

“Independent Stave is a prime example of how our state’s booming distilling industry and top-tier manufacturing sector are both creating new opportunities for Kentuckians,” Gov. Bevin said. “The company has shown a strong commitment to the commonwealth through robust investment and job creation across multiple regions. We are thankful to Independent Stave and greatly value their partnership with Kentucky.”

Today's groundbreaking celebrated the onset of the new cooperage's construction near the Morehead-Rowan County Airport. Using locally manufactured staves, Commonwealth Cooperage will produce white oak barrels for the bourbon and whiskey industries. With construction complete, the cooperage will become the company's third in the state, joining its 500-employee Kentucky Cooperage in Lebanon and a used barrel cooperage in Louisville, which refurbishes and provides freshly dumped whiskey barrels to breweries and wineries.

ISC also owns two stave mills in Kentucky, the 120-employee Morehead Wood Products facility and Benton Wood Products in Marshall County. Both stave mills opened within the last four years. Morehead Wood Products will supply Commonwealth Cooperage with staves and heads for barrel construction.

For employees, the cooperage will tap the Eastern Kentucky region's available and manufacturing-oriented workforce, many members of which have been underemployed or unemployed due to coal mining's decline.

"We are excited to continue investing in and expanding our cooperage operations in the Commonwealth of Kentucky as we support the growth of our customers," said Brad Boswell, Independent Stave CEO and fourth-generation cooper. "As our fourth domestic cooperage, Commonwealth significantly expands our production capabilities which will allow us to better serve the future needs of our customers."

ISC, a family-owned cooperage company headquartered in Missouri, reaches distilleries, wineries and breweries in more than 40 countries. The Boswell family founded the company in 1912, first as a domestic supplier of staves, and today as a cooperage company crafting a wide range of barrels and oak products.

In addition to its US facilities in Missouri, Kentucky, Indiana and Ohio, the company operates facilities internationally, including in France, Australia and South America. It owns seven stave mills: one in northeastern France and six American oak mills. ISC's growth has coincided with Kentucky's bourbon boom.

Bourbon – and many of its whiskey relatives – is aged in charred oak barrels. That process gives the spirit its signature caramel color and contributes to its complex palate of

flavors. A global boom in demand for bourbon the past decade continues to benefit Kentucky and its signature industry. Creating further demand, bourbon barrels can be used only once for bourbon aging.

Distillers filled more than 1.7 million barrels in 2018, up from fewer than 800,000 a decade ago, according to a recent study by the Kentucky Distillers' Association. And Distillers reported capital spending – such new and expanded plants and barrel warehouses of \$1.1 billion during last five years. They plan to invest another \$1.2 billion planned over the next five years, the study found.

Sen. Stephen West, of Paris, said this investment is good news for citizens of the region.

“With this groundbreaking, the citizens of Morehead celebrate and welcome Independent Stave Company’s \$66.5 million investment and the more than 200 jobs coming to our community,” Sen. West said. “The company’s contributions will create a lasting impact that is sure to benefit the great people of this region for years to come. Congratulations to Independent Stave on this fantastic next step.”

Rep. Rocky Adkins, of Sandy Hook, also noted the impact the project could have on the community.

“This game-changing project stands to provide a long-term benefit to the Morehead-Rowan County community through the 200-plus well-paying jobs it will create,” Rep. Adkins said. “Independent Stave Company’s state-of-the-art facility will be a perfect complement to the stave mill it recently opened here. I want to congratulate the company on today’s groundbreaking and thank the Boswells for being such a great corporate partner of our community and the entire region.”

Morehead Mayor Laura White-Brown said the company provides an immense benefit to the region.

“Our community is very fortunate to have a corporate partner like Independent Stave that is committed to growing here in Morehead,” Mayor White-Brown said. “This groundbreaking marks a very positive step forward for this city and the company.”

Rowan County Judge-Executive Harry Clark said ISC's growth continues to help improve the lives of Kentuckians.

"This new cooerage is going to positively impact the lives of more than 200 Kentucky citizens by giving them well-paying, meaningful jobs in a growing industry," Judge-Executive Clark said. "Congratulations to Independent Stave for their success to date, and I look forward to more great achievements in the future."

Morehead-Rowan County Economic Development Council Inc. Executive Director Bob Helton said the new cooerage's benefit to the area would be multifaceted.

"Today's groundbreaking is great news all around for our region," Helton said. "This project provides a twofold benefit for the region, with both direct jobs at the cooerage and creation of more demand for logging, trucking and other peripheral industries. Additionally, the cooerage will be located within a mile of the new Rowan Campus of Maysville Community and Technical College, which will enable a partnership that will benefit both the college and the cooerage to train future employees while continuing to improve the strength of the college."

To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) in March 2018 preliminarily approved the company for tax incentives up to \$3 million through the Kentucky Business Investment program. The performance-based incentive allows a company to keep a portion of the new tax revenue it generates over the agreement term through corporate income tax credits and wage assessments by meeting job and investment targets.

Additionally, KEDFA approved ISC for up to \$500,000 in tax incentives through the Kentucky Enterprise Initiative Act (KEIA). KEIA allows approved companies to recoup Kentucky sales and use tax on construction costs, building fixtures, equipment used in research and development and electronic processing.

ISC also can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives.

For more information on ISC, visit [www.independentstavecompany.com](http://www.independentstavecompany.com).

A detailed community profile for Rowan County can be viewed [here](#).

Information on Kentucky's economic development efforts and programs is available at [www.ThinkKentucky.com](http://www.ThinkKentucky.com). Fans of the Cabinet for Economic Development can also join the discussion on [Facebook](#), follow on [Twitter](#) and watch the Cabinet's "Now You Know" video on [YouTube](#).

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