

Louisville's Green Entrepreneur

NuLu creator and environmental empresario Gill Holland works the business side of arts

By Robert Hadley

If Kentucky needed a renewable energy czar, Louisville entrepreneur Gill Holland would be the ideal candidate.

Since purchasing a 115-year-old former dry goods store on East Market Street in downtown Louisville and renovating it to become one of the state's first Leadership in Energy and Environmental Design (LEED) platinum-certified buildings, Holland has become Kentucky's poster child for the green movement.

The Green Building, as his first real estate endeavor is known, is the three-story home to several of Holland's businesses: The Group Entertainment LLC, a movie production and music publishing company; sonaBLAST Records, an independent record label; and Holland Brown Books. Additionally, there is an art gallery, public meeting space and a few other tenants.

The building's LEED designation is given to buildings that earn 80 points or better in the scoring system developed by the U.S. Green Building Council (USGBC).

Since opening in October 2008, The Green Building has become the flagship of a 15-building empire of other East Market Street structures Holland and other investors (including his wife, Augusta Brown Holland, daughter of retired Brown-Forman exec Owsley Brown Frazier) have purchased and either renovated or plan to renovate. The ultimate goal is to transform the area (dubbed "NuLu" by Holland) into a local arts district that will showcase local restaurants, locally grown food and buildings that use sustainable energy and materials.

From a top-floor meeting room in a glass-and-metal extension at the back of The Green Building, Holland proudly pointed to the bank of \$100,000 solar panels that help the building achieve 72 percent energy efficiency.

"I tell people it's an investment," Holland said of the solar panels. "It (provides) about a 20-year rate of return, even with energy rates increasing 5 percent a year. If I had put \$100,000 in the stock market (in 2008) rather than in solar panels, it would be worth only \$56,000 right now."

Film producer, record label executive, book publisher, green real-estate magnate - all are titles Holland proudly bears. There is one title, however, that he bristles at: tree-hugger.

"I do resist that because I'm a capitalist entrepreneur," Holland explained. "Yes, it's great to save the world, but it's got to make great financial sense."

Intellectual nomad

Holland seems to thrive at the intersection of art and business, where the creative instinct merges with the marketplace. His academic career is distinguished by his acumen in both qualitative and quantitative disciplines. In high school, for example, Holland won prizes in both math and English.

His college major is a little harder to pin down. Being the intellectual nomad that he is, after nearly four years of classes in a wide variety of disciplines, his adviser remarked that he had never seen anyone accumulate that many credits for a bachelor's degree. Holland had spent his junior year abroad in France, so his adviser told him to take four additional classes so he could graduate on time. His degree was in French.

"I like the arts, but I also just like to be in school," he said, "but at the same time, not letting school get in the way of education."

After college, he took the proverbial year off to find himself, and for awhile became a literal nomad. His travels took him to 47 countries in Europe, Africa and the Middle East as well as Australia and New Zealand. “It gives you an openness to consider new ideas,” he said of his travels. “You realize we’re all in this together. In terms of humanity, at the end of the day, everybody’s basically the same.”

So how did Holland, a North Carolina native, the only son of an English professor father and native Norwegian mother (also a teacher), find himself a movie producer and champion of green construction in Louisville, Ky.? The path came courtesy of another academic stop: law school.

Returning to the United States in 1988, Holland promptly enrolled in the University of North Carolina - Chapel Hill’s law school. Midway through his degree, he spent another year of study abroad, this time at University College in London, England. After earning his law degree in 1991, Holland’s first job was (predictably) overseas, this time in Paris, France, practicing law for entertainment and construction firms. His exposure to one of the law firm’s clients, a film production company, piqued his interest in that line of work.

Stateside in the early ’90s, Holland entered the movie business, eventually producing more than 50 indie films, including “Hurricane Streets,” a triple winner at the 1997 Sundance Film Festival. Echoing his parents’ influence, he also taught for two years at New York University’s graduate school of film. Despite his love of the arts, Holland admits he is no director.

“Directors have to (be able) to talk to actors,” Holland said. “You have to be an artist to be a director. I’m more of a businessman who likes the arts.”

Holland considers himself more of a businessman who produces art rather than an artist who dabbles in business. Either way, it’s clear he keeps an eye on the bottom line.

“Rule No. 1 of moviemaking is to try not to lose any money. Too many people go in trying to make a lot of money, and if you go in with that attitude, you’re going to lose a lot.

“There’s a saying that goes, ‘How do you make a small fortune in the movie business? You start with a large fortune.’ ”

Vision for NuLu

A visitor walking down East Market Street can start to see Holland’s vision for the area take shape. His next-door neighbor, a restaurant called Toast on Market, exemplifies the small, local eateries the area is beginning to attract. Others include 732 Social, Muth’s Candy, The Mayan Café, and Please & Thank You.

But you won’t find national restaurants in this district, said Henrietta Pepper, who owns The Pepper Group, a branding firm that has a five-year lease in The Green Building. The Pepper Group is a member of the East Market District Association, of which Holland is president.

“We’re not trying to duplicate what we’ve seen in other cities,” Pepper said. “We don’t want chains in here. We want a grassroots, local-centric flair that will make and keep us authentic.”

A cornerstone of the NuLu community is a project near to Holland’s heart: the creation of Jefferson Market, a farmers market featuring locally grown produce. The market, located across from The Green Building at 720 East Market St., was an idea several years in the making.

Tim C. Peters, the contractor who helped renovate The Green Building, and a fellow investor in NuLu properties, recalls Holland mentioning the farmers market on their first meeting six years ago. The occasion was a dinner at Peters’ Central Kentucky farm, with Holland and future wife Augusta Brown, and her parents, Owsley and Christy Brown Frazier.

“He’s had a terrific result because all the rundown buildings on East Market Street are being bought up and renovated, some by him and some by people he’s motivated to come here,” Peters said. “Gill brings a lot of character to the table. A lot of people I do business with are strictly business. He’s doing it for the love of old buildings.”

Green movement as economic savior

To understand Holland's vision for the green movement and where it is headed, both for the country and for Kentucky, you must first grasp that America is slipping into second place by missing an important opportunity at a unique time in history. In other words, we need an economic savior to rescue us. Enter the green energy movement.

As evidence, Holland points out that China is home to the world's first solar billionaire, Shi Zhengrong, founder and chairman of Suntech Power, the world's largest producer of solar panels. In order for the United States to keep pace with energy-sector development, Holland believes a nudge would be helpful.

"There's a saying that the Stone Age didn't end because we ran out of stone," he said. "The coal age is not going to end because we run out of coal. I'm all about incentivizing people to change, (but) not mandating it or telling them (they have) to do it."

Some of the incentives Holland has in mind include expanding existing federal tax rebates for solar panels to the state level, as well as offering municipal rebates for recycling rain water or installing "green roofs." (According to Wikipedia.org, a green roof uses vegetation planted atop city buildings to absorb rainwater, provide insulation and reduce the heat-island effect within cities.)

Tax incentives can be a powerful method of encouraging the use of sustainable materials and technology in a building project. Peters estimated going green with a building project can increase costs by one-third.

Some offsetting incentives do currently exist. Nick Lombardi, manager of risk services with Brown Smith Wallace, a St. Louis-based accounting firm, cites the federal Business Energy Investment Tax Credit (ITC), which provides a 30 percent deduction off the installation cost for solar, wind, geothermal and other green technologies.

Although the tax credits have expanded or been extended since 2008, it's hard to predict whether incentives will be expanded.

"It depends on legislative caveat," Lombardi said. "Right now, we've got essentially a split opinion government in D.C. All I can speculate is don't bet on anything - there's very much (an atmosphere of) uncertainty."

Despite the muddy issues surrounding long-term energy policy, Holland believes the economic benefits of green energy are clear. For starters, it would spawn more businesses that manufacture the technology, such as solar panels and green building products. More manufacturing would lead to more jobs, a bigger tax base and less dependence on fossil fuels, which can damage the environment. Positioning Kentucky as a green manufacturing hub, while perhaps a counterintuitive move in a state whose three greatest industries are bourbon, horse racing and coal, could thrust America to the forefront of energy innovation.

"We're not in Arizona with eight solar hours a day, and we're not in the Windy City," Holland said. "But (Kentucky) has this huge manufacturing base, and we should be making the wind turbines and solar panels instead of buying them from China."

Holland is well aware that adopting green energy will not necessarily come quickly or easily without the nudge of some type of an incentive, but he remains optimistic.

"I feel like we're a bit behind the curve," Holland said, "but the great thing about it is that once we really decide to do it, we will kick butt and eventually catch up. It will happen."