



Louisville Moves Forward

IT'S NOT ALL BOURBON, BASEBALL BATS AND THE KENTUCKY DERBY—THIS 13-COUNTY REGION ACROSS TWO STATES HAS A DIVERSE ECONOMY AND UNMATCHED QUALITY OF LIFE. **BY JERE DOWNS**

► The new, 30-story Omni Louisville Hotel set to open in downtown Louisville in March 2018 is a \$300 million bet that this Midwestern city with a Southern soul is well into a boom that could eclipse anything in the Derby City's history.

"It's incredibly hot," Omni Louisville Hotel general manager Scott

Stuckey says of Louisville's unique and rising mix of great restaurants, historic culture, booming bourbon tourism trade and economic development combined with a downright affordable cost of living.

"We feel like Louisville is the next Nashville," says Stuckey, whose company built an Omni in Music City five years ago. The Louisville hotel is its largest private capital investment, leading massive amounts of public and private new construction to pour into the city in the past three years.

Louisville is already well known for the Kentucky Derby, fried chicken and the Louisville Slugger baseball bats turned by Hillerich & Bradsby. What gets less attention is that Louisville's diversified, and now recession-resistant, economy is on a roll.

"We are hanging out the welcome sign," says Mary Ellen Wiederwohl, chief of Louisville Forward, the city's economic development arm. "Business is strong and the living is good."

This 13-county region—which includes parts of southern Indiana—boasts a workforce estimated at 27,000 jobs available in growing

industries such as lifelong wellness and aging care, business services, information technology, health, manufacturing and the food and beverage industries.

Kent Oyler, president and chief executive officer of Greater Louisville Inc. (the metro chamber of commerce), cites the "optimal aging industry" as a significant and growing sector. Of the 20 largest companies that specialize in senior living, eight call Louisville home, Oyler notes, pointing to firms such as Kindred Healthcare Inc. and Atria Senior Living.

Kentucky's largest city affords unmatched quality of life, alongside housing prices that are the envy of "luxury cities" on the coasts, Wiederwohl says. She considers Louisville "opportunity city." Indeed, a \$240,000 home in Louisville rivals a \$1 million property in New York City or a \$430,000 home in Chicago, according to the cost-of-living calculator at bankrate.com.

As economic recovery runs long in the United States, the unemployment rate in Louisville and Kentucky overall is about 5 percent, close to the lowest in two decades and a welcome plunge from a high of nearly 11 percent in 2011.

CLOCKWISE FROM FAR LEFT: Louisville Slugger Museum & Factory; Greg Creed of Yum! Brands; Bridges over the Ohio River; Ford Motor Co.'s Louisville Assembly Plant; Churchill Downs racetrack; Stills at Kentucky Peerless Distilling Co.

And when Louisville recovered from the Great Recession, the city not only roared back to strength in its traditional sectors of manufacturing, logistics and health care services, but witnessed continuing gains in business services and tourism.

Long-term Strategies, Sustainable Growth

For years, Louisville watched Indianapolis and Nashville outpace its own growth. But this city on the Ohio River has made strides to focus its strategy for sustainability over the long term.

Now "those [larger] cities have gotten to the point where their infrastructure is taxed," says Oyler. Thanks to a just-completed \$3 billion transportation project that built two new bridges to span the Ohio River, you can live 11 miles outside of downtown, across the border in Indiana, and commute to the city's center in 15 minutes.

"Our city has a base to grow in its own unique way. We are somewhat undiscovered. As a result, Louisville is at the top of the list when people ask, 'What is the next new thing?'" Oyler says.

In June, *Forbes* named Louisville the No. 1 U.S. city where manufacturing is thriving. Since 2011, manufacturing has blossomed here by 30 percent, forming about 12 percent of local jobs, including those at Ford Motor Co.'s Louisville Assembly Plant and Kentucky Truck Plant, where workers assemble Super Duty pickups as well as Lincoln Navigator and Expedition SUVs, in addition to Haier's GE Appliances and dozens of suppliers turning out parts and components.

Employee Retention Is Key

Louisville's "reliable and affordable" workforce is a secret discovered by Danish firm LINAK, now undergoing a 75,000-square-foot expansion in Louisville to manufacture actuator systems used in hospital beds as well as standing desks and farm equipment.

With 300 employees hired since locating in Louisville in 1994, LINAK U.S. Inc. president Soren Stig-Nielsen says, "Louisville has an ideal Midwest location from where we can efficiently serve the eastern half of the country and most of our industrial customer base."

"It has also been remarkable," he adds, "to follow the city's expansion with infrastructure, culture, entertainment offerings and outdoor beautification over the past two decades."

Stig-Nielsen says LINAK attracts and keeps talent on the assembly line, a feat hard to match

My Louisville

GREG FISCHER

MAYOR

LOCAL ROOTS: I was born and raised a proud Louisvillian and spent my life as an entrepreneur until becoming mayor in 2011.

MUST-DO: Walk the Big Four pedestrian and bicycle bridge that spans nearly a mile across the Ohio River and connects Louisville to Indiana. It's beautiful industrial art, and especially romantic at night with the bridge lit.

MUST-SEE: Our sports-related venues: Muhammad Ali Center, his boyhood home and his peaceful grave site at Cave Hill Cemetery; the Louisville Slugger museum; and Churchill Downs, home of the Kentucky Derby. The expanded Speed Art Museum is a treasure of architecture and art.

FAVORITE EATS: You'll often find my family at a Louisville landmark, Ramsi's Café on the World, a great immigrant success story using local food within global dishes. You can't beat the atmosphere and down-home food at the Wagner's Pharmacy lunch counter—especially when Churchill Downs is running.



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— SOREN STIG-NIELSEN,
LINAK U.S. INC.
PRESIDENT

in more expensive cities. When the company recruits engineers, he adds, the city's expanding cultural scene has helped young professionals decide to stay and grow roots.

“We [have] really had a good run as far as retaining employees,” he says. “Eighteen years ago, I could imagine a lot of younger people graduating would have left Louisville. Now a lot of them will stay because they are proud of this city and it has a lot to offer. That is just what we need to be successful.”

Since 2014, Louisville has attracted \$11 billion worth of construction that is completed, underway or planned, according to Louisville Forward. Downtown jewels topping that list include the Omni Louisville, \$207 million to remake the Kentucky International Convention Center and a \$90 million makeover of the historic 19th-century buildings of Whiskey Row on First Street.

Investments in education in recent years have made strides in turning around one of Louisville's long-standing challenges: an uneducated workforce compared to those of competitor cities. Those investments include \$33 million in an advanced manufacturing center formed in partnership with Jefferson Community and Technical College. Computer programming and coding education, both public and private, also have fueled a surge in the number of residents obtaining college degrees. As a result, at least 50 percent of Louisville-area residents possess at least an associate's degree, bringing the River City on par with the national average for a 4-point gain since 2011 alone.

Liquid Assets

Ever heard of *Bourbonism*? That term, often used by Louisville Mayor Greg Fischer and other city leaders, is the powerful combination of bourbon heritage, a worldwide spike in that spirit's popularity and the economic boom it has created for classic and emerging distillers in the Bluegrass State. From stalwarts such as Brown-Forman, Jim Beam, Buffalo Trace and Heaven Hill to bourbon newcomers such as Angel's Envy, distillery-related projects “promise to keep Kentucky atop the bourbon throne,” according to Joe Lilly, executive director of research and public affairs at the Kentucky Cabinet for Economic Development.

“Liquid assets” also count in the economic development strategy at Louisville Water Company, says president and chief executive officer Spencer Bruce.

“When a potential client visits Louisville, they're most likely served tap water at the mayor's office,” Bruce explains. “I've taken our water to other cities as part of an economic development trip where it's served alongside Kentucky bourbon.”



Louisville
Water pumping
station.

Reports of economic growth are confirmed at Louisville Water, which has expanded regionalization efforts to include Fort Knox, the River Ridge Commerce Center in southern Indiana and a new pipeline in 2019 that will extend to burgeoning outer suburban communities. In 2017, Louisville Water is on track to have the best year in nearly 10 years due to the installation requests for new water service lines that service residential customers, Bruce says.

Central Location

Louisville International Airport's prime location puts it within a two-hour flight of 75 percent of the U.S. population. Construction is still underway on a \$310 million expansion at United Parcel Service of America Inc.'s Worldport to double the size of the ground shipping hub adjacent to Louisville International Airport, Lilly says. As one of the largest employers in Louisville, if not the state, UPS' main air hub expansion will enable handling of up to half a million packages per hour. An economic engine in its own right, UPS has drawn more than 250 companies that depend on reliable, speedy shipping to the area.

The region's road network was transformed by the opening of two new bridges across the Ohio River. That means boom time for once-sleepy southern Indiana communities on the northern banks of the Ohio River, says Wendy Dant Chesser, president and chief executive officer of One Southern Indiana, the chamber of commerce and economic development organization serving Floyd and Clark counties. The East End bridge, for example, has an exit directly into the River Ridge Commerce Center, a former ammunition plant that is 17 percent occupied with new industry and plenty of room to grow, she says.

With the new bridges making it easy to commute to work and to more affordable Indiana homes and renowned public school systems, she says, “builders and developers are salivating in southern Indiana right now.” To match that lower cost of living, Indiana communities are making strides in attracting restaurants and amenities to the small downtowns of New Albany and Jeffersonville, she says.

“We recognize we can be a bigger player in the regional market.” ▽