

# THE WEST LOUISVILLE REPORT



OCTOBER 2005

## THE WEST LOUISVILLE ECONOMIC DEVELOPMENT INITIATIVE

In 2000, Kim Burse, former President of the Louisville Community Development Bank, Ben Richmond, President of the Louisville Urban League and Sam Watkins, President of the Louisville Central Community Center vowed to use their resources and influence to improve the economic conditions of Louisville's most underserved area. As a result, the leaders of these West Louisville-based non-profit organizations garnered the support of the City of Louisville and several business leaders to help finance a West Louisville economic development study by Harvard Professor Michael Porter and his Initiative for Competitive Inner Cities (ICIC) group.

After evaluating the area for one year, the ICIC team – with help from a local advisory group – concluded that West Louisville was poised for significant economic growth if it could capitalize on its strengths as:

1. **A strategic location,**
2. **Home to an available workforce,**
3. **An inexpensive place to do business, and**
4. **An area that successfully nurtures select business clusters.**

In order to meet these objectives, the ICIC study suggested that the community hire a full-time manager to lead the West Louisville economic development initiative.

## WEST LOUISVILLE ECONOMIC DEVELOPMENT MANAGER



Since December 2002, the city of Louisville has provided funds to hire DeVone Holt as the West Louisville

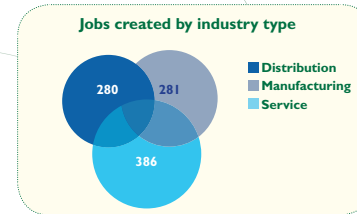
Economic Development Manager. He maintains this role as an employee of Greater Louisville Inc. – the local chamber of commerce.

Working in close partnership with the City's Metro Development Authority, DeVone is charged with improving the economic vitality of the area by focusing on four areas: (1) business expansion, (2) business attraction, (3) business connections, and (4) helping businesses reposition into new industries.

The creation of the West Louisville Economic Development Manager position in December 2002 renewed the focus on the community's most underserved areas and has produced several notable results.

## ECONOMIC DEVELOPMENT RESULTS JOB CREATION

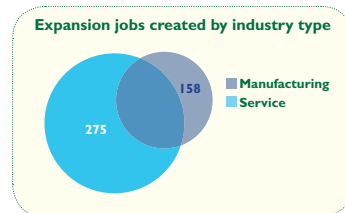
Even in the midst of a slow national economy, Greater Louisville Inc.'s West Louisville clients positioned themselves to create 947 new jobs since 2002. Many of the jobs were created by companies that managed to thrive at a time when their national competitors struggled to survive. For example, National Tobacco is a notable West Louisville company that created 58 new local jobs as part of a planned \$24.5 million plant expansion.



## ECONOMIC DEVELOPMENT RESULTS EXPANDING BUSINESSES

A majority of the business investments and jobs created in West Louisville have been made by existing companies to strategically position themselves for growth. Their expansion projects fueled much of the economic development progress in West Louisville and continue to play a critical role in supporting the regional economy.

In 2003, the 100-year-old West Louisville company Anderson Wood invested \$2.5 million to modernize its equipment, added 15 new employees to its workforce, and increased its payroll by \$330,000. Similarly, the Zoeller Company broke ground to expand its 66 year-old water pump operation in 2005. The \$5.3 million expansion is expected to yield 20 new jobs and \$640,000 in new payroll.



Total Businesses	23
Total Investment	\$109,822,390
New Jobs	433
New Payroll	\$12,959,955



WWW.WESTLOUISVILLE.BIZ



WWW.WESTLOUISVILLE.BIZ

## ECONOMIC DEVELOPMENT RESULTS RELOCATING BUSINESSES

Through targeted marketing of West Louisville's strengths, the area has slowly begun to attract more attention from businesses outside of the community. In 2005, for instance, the California-based printing company OvernightPrints.com decided to relocate its headquarters and main operating facility to West Louisville and purchase approximately 100,000 square feet of previously unoccupied manufacturing space.

Another notable business attraction trend is the migration of Louisville-area companies that

relocate to West Louisville after recognizing the benefits of doing business in the area.

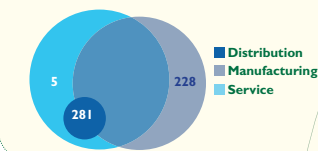
Consumers Choice became a noteworthy example when it celebrated the opening of its new 21,550 square foot facility in West Louisville in 2004. Previously, the coffee supply company operated on Louisville's south side, but invested \$1.4 million to relocate to West Louisville because of the inexpensive cost of doing business and location benefits.

## ECONOMIC DEVELOPMENT RESULTS BUSINESS INVESTMENTS

The ICIC Report that guides the West Louisville initiative encouraged existing area businesses to make technological investments in their operations in order to make them more competitive. To date, these businesses have invested more than \$84 million in collective improvements. Several notable investment projects are:

- Rohm & Haas invested \$21 million to upgrade and modernize its plastics additive plant.
- Mother's Cookie's made \$50 million in automation improvements to the West Louisville factory where it bakes Girl Scout Cookies.
- American Synthetic Rubber invested \$7.5 million to modernize its plant.

### Relocating jobs created by industry type



### Businesses Relocating to West Louisville (GLI Clients Only) 2002-2005

Total Businesses	10
Total Investment	\$49,404,000
New Jobs	514
New Payroll	\$19,014,871

## ECONOMIC DEVELOPMENT RESULTS BUSINESS OUTREACH

Since 2002, the West Louisville Economic Development manager has conducted more than 300 outreach visits to area businesses. These meetings often yield useful information about local companies that is then used to develop and improve economic development strategies.

More importantly, these meetings typically reveal problem areas within local companies that can be resolved by connecting them with many of the community's business support resources.

The business outreach visits conducted by the West Louisville Economic Development

Manager have played a significant role in strengthening the regional economy by improving the bottom line of many inner city businesses.

Kelley Technical Coatings is a successful example of this business outreach strategy. The West Louisville Economic Development Manager was able to help the paint and coatings company access approximately \$400,000 in city and state tax incentives for a 2005 expansion project. The money the company will save in tax incentives is being used to purchase and renovate a vacant West Louisville facility and hire at least 15 new employees.

## COMMUNITY SUPPORT

To ensure West Louisville continues on its course of successful revitalization, Mayor Jerry Abramson appointed members from the community to lead a West Louisville Economic Alliance Advisory Committee to assist in creating a long-term vision and strategy for the area.

This diverse group of business, civic, educational, and spiritual community leaders are challenged to use their individual expertise to enhance West Louisville's business climate. The advisory committee is divided into the following four subcommittees:

- **Business Retention & Expansion:** Developing strategies to help existing West Louisville businesses overcome obstacles that prevent them from growing.
- **Workforce Development:** Developing programs to prepare the inner city workforce for job opportunities in the targeted clusters.
- **Land Assembly:** Identifying opportunities to reuse and acquire inner city properties for development purposes.
- **Public Relations:** Developing a comprehensive communications plan to improve the perception of West Louisville as a business location.

In addition to the city's commitment to West Louisville, the

University of Louisville also has vowed to support the area. Following the recommendation from his Community Partnership Board, U of L President James Ramsey has committed to use the school's resources to help improve West Louisville in the following areas:

- **Economic Development**
- **Health Services**
- **Social Services**
- **Educational Attainment**



westLouisville

WWW.WESTLOUISVILLE.BIZ

## LAND ASSEMBLY

One of the more significant obstacles preventing substantive economic growth within West Louisville is the area's lack of developable land. Because the area is one of Kentucky's most densely populated and developed territories, economic development projects that would be ideal for West Louisville often locate to more spacious areas. To help overcome West Louisville's land constraints, the city's Metro Development Authority has implemented the following strategies:

- Established a partnership with the Louisville and Jefferson County Riverport Authority to streamline land acquisition and disposition efforts in West Louisville.
- The Riverport Authority, in the name of Louisville Metro Properties, is acquiring, holding, and marketing properties in West Louisville that are suitable for economic development – including a 23-acre former cigarette manufacturing facility, a 17 acre former chemical plant and a 3 acre former fertilizer production site.
- The Environmental Services and Industrial/Commercial Development divisions within Metro Development Authority were merged, which made it easier to link the agency's brownfield redevelopment resources to the West Louisville ICIC revitalization strategy.

- Metro Development Authority maintains a database of more than 300 West Louisville properties that are for sale, lease, or underutilized – but are ripe for redevelopment. With more than 1,700 acres in this database, these sites are mapped and analyzed for assembly potential to support the West Louisville business retention and expansion activities.



westLouisville

WWW.WESTLOUISVILLE.BIZ

## CONNECTING WEST LOUISVILLE BUSINESSES

In 2004, Greater Louisville Inc. produced the first West Louisville Businesses Directory – a new publication that addresses the increasing number of requests for data on the approximately 1,500 companies in Louisville’s inner-city. Additionally, it supports the need expressed by West Louisville companies to do business with one another.

## THE COLLABORATIVE

The Collaborative is an urban revitalization program designed to connect inner-city businesses with student and professor consultant teams from MBA programs at local universities. The consultant services provided by the Collaborative teams are used to help inner-city businesses overcome many of the obstacles that prevent them from excelling.

Through these unique relationships, the Collaborative offers quality consultant resources to urban businesses at no-cost with hopes of strengthening their bottom lines so they are able to make greater contributions to the regional economy.

To date, the West Louisville Economic Development Manager has connected more than 10 area businesses to the program. These various businesses have benefited from consulting services that have helped:

1. Create sophisticated marketing strategies
2. Identify opportunities to penetrate new markets
3. Improve office efficiencies
4. Audit software systems
5. Perform competitive analysis



## THE FUTURE OF WEST LOUISVILLE

Although the implementation of the 2001 ICIC study has yielded many exciting results, those leading the initiative believe the best of West Louisville’s revitalization is yet to come. The continued development of the area is linked directly to the following efforts being led by the City of Louisville, Greater Louisville Inc. and other significant West Louisville partners:

- Improve the image and perception of West Louisville by implementing a marketing and public relations campaign that will tout the many positive attributes of the area
- Build broad-based community support for specifically identified economic development projects
- Launch a more aggressive land assembly and marketing strategy to accommodate potential business expansion and relocation projects
- Identify specific opportunities to connect West Louisville residents with job opportunities and skill enhancement programs
- Help to create more and better useful business incentives and resources for West Louisville companies
- Continue to utilize the inner city revitalization expertise of Michael Porter’s ICIC group



## FOR MORE INFORMATION

DeVone Holt  
West Louisville Economic Development Manager  
Greater Louisville Inc.  
614 West Main Street, Suite 6000  
Louisville, KY 40202  
[www.West-Louisville.com](http://www.West-Louisville.com)  
[DHolt@GreaterLouisville.com](mailto:DHolt@GreaterLouisville.com)  
502/625-0134  
502/625-0211 (fax)