PROGRESS LOUISVILLE

2014 ANNUAL REPORT

"Louisville is on an exciting new trajectory for a great future."

— Mayor Greg Fischer

Photo by Frankie Steele

Cover photo: Southwest Regional Library

Dear Citizens:

Our city is on a new trajectory.

Our economy is growing and we're focused on innovation and creating jobs of the future. We're globally-minded, open-minded, and committed to transforming Louisville into the next great American city. In short, we're playing to win.

We have accomplished much since January 2011 when I made a pact with citizens that we would become a city of lifelong learning and great jobs, a healthier city and a city that is even more compassionate.

As I begin my second term, it's clear that we have made major progress in all three areas. We're among the top four cities in the nation in post-recession job recovery. We created the Healthy Louisville 2020 vision and our Safe and Healthy Neighborhoods plan. Over 144,000 people took part in our Give a Day Week of Service and 55,000 Cultural Passes for Children were handed out. And we were designated an International Model City for Compassion.

Our downtown is growing and bustling — a ripple effect that's good for all 400 square miles of Louisville. That includes the expansion of the convention center, seven new hotels and an entire new tourism sector in bourbonism and local food.

West Louisville is experiencing investment, from the new YMCA and Walmart on Broadway to the West Louisville Food Hub at 30th and Muhammad Ali Boulevard to the daily transformation happening in Portland as longtime residents make investments and artists discover its charm.

Greg Fischer
Mayor of Louisville

We've built a stunning new Southwest Regional Library in Valley Station — a physical commitment to lifelong learning — and will start construction on the South Central Regional Library in Okolona. To the east, the Parklands of Floyds Fork is taking our heritage of park planning into a new century.

And, after 40 years of talk, the two new interstate bridges will be completed in 2016.

No individual accomplishment of the past four years is as important as the things you can't see or measure — what you can't point to or put on a piece of paper. We're playing in a different league. Our city is more entrepreneurial and innovative. We not only think outside the box, we rip up the box and create something new.

Our goal is clear: ALL of our people and ALL of our neighborhoods must flourish.

The next four years will be momentous for our city. Just wait until the world sees what we WILL do, all by working together for one greater city.

A new approach to economic development
Louisville Forward

As the needs of businesses continue to change rapidly, so has the city's approach to economic development with the creation of Louisville Forward.

This new city entity combines economic development, real estate development, quality of life enhancement, and talent development/attraction into one dynamic agency that helps companies create jobs while also looking ahead to the future. Louisville Forward's goal is to help build a vibrant city where people can live, work, create, and innovate.

2014 significant economic accomplishments include:

- A $180 million expansion of the downtown convention center, which will increase the contiguous trade show space to 230,000 square feet, from 146,000 square feet.
- An $58 million investment and 350 new jobs to increase production of the Ford F-Series truck and a new Lincoln at the Louisville Assembly Plant.
- The $30 million West Louisville Food Hub — a center to process and aggregate food from local farmers to increase demand for local food.
- Kindred Healthcare's expansion of its corporate headquarters, including the construction of a new operations center on South 4th Street and the creation of 500 new jobs as it becomes one of the nation's largest health-care employers and operators of long-term acute care hospitals and inpatient rehabilitation facilities.
- A $25 million Walmart Supercenter at 18th & Broadway, which will bring hundreds of jobs, much-needed retail space, and private investment to West Louisville.
- The opening of numerous new spirits companies, from start-ups such as Rivulet Pecan Liqueur to Copper & Kings American Brandy. Numerous bourbon companies have also opened or announced new tourism facilities, including The Bulleit Bourbon Experience in Shively and the planned $30 million Old Forester distilling on Whiskey Row downtown. These investments are part of "bourbonism," a strategic new tourism sector that has year-round economic impact.
- The opening of new corporate headquarters on Main Street for Indatus, a cloud computing company that renovated a former distillery into a state-of-the art office; the expansion of Interapt, which has been tapped by Google to work directly on new uses for Google Glass; and the purchase of Louisville's Stonestreet One software company by global powerhouse Qualcomm.
- A $2.9 million federal grant for Code Louisville to provide free training that will prepare people for the rising number of computer software coding jobs. This effort is part of the city's broader workforce development strategy to respond directly to the skill sets that employers need.

Louisville Innovates at FirstBuild

General Electric partnered with the city, the University of Louisville, and others to create FirstBuild, a collaborative environment dedicated to designing, engineering, building, and selling the next generation of major home appliances.

GE is partnering with makers, coders, hackers, artists, scientists, engineers, and dreamers in this 3-D micro-factory to not only create new products and foster new ideas, but to change the way manufacturing and innovation occur.

Innovation is a core value to growing the city. Achievements include:

- A citizen science program that encourages residents to help monitor air quality through experimental low-cost devices that can be placed in back yards or businesses.
- Hackerspaces, makerspaces, and business accelerators such as LVL-1, XLerateHealth, and iHub co-working space.
- The Mayor's Innovation Delivery Team which, among other things, is dramatically increasing recycling rates, and reducing ambulance dispatches by putting a nurse in the 911 call center and placing health care providers in public senior living facilities.
- A new city website that scales to all technology devices and includes citizen-friendly tools such as text alerts for city services such as junk pick-up.

Health/Compassion/Lifelong Learning

These three pillars are the organizing themes for Louisville

To create the best city in America, Mayor Fischer is focusing on three pillars: Making Louisville a much healthier city, an even more compassionate city, and a city of lifelong learning.

Recent successes include:

- The stunning new $14 million Southwest Regional Library on Dixie Highway is a destination for learning, discovery, and community engagement. Next up: the South Central Library in Okolona, the second of three planned regional facilities, to be completed in 2016. The third regional library is slated for northeast Louisville.
- Out-of-School Time resources and programs were strengthened with increased investment in community centers and extended operating hours, further helping to keep youth safe and learning.
- Created the Metro Mentors program, which provides time for city employees to guide youth and serve as role models, setting an example for other employers.
- Developed the comprehensive Healthy Louisville 2020 report, a blueprint for improving the city's collective physical, mental and social health, along with a new website for tracking progress, HealthyLouisvilleMetro.org.
- Launched "1,000 Books Before Kindergarten," part of a comprehensive literacy strategy for improving kindergarten readiness — a critical step on the path of lifelong learning.
- Furthered the city's smoking-reduction efforts by discouraging smoking at 15 playgrounds, pools, and spraygrounds, and implementing a smoke-free environment at the new Sheppard Square housing development.
- Continued to grow the Give A Day Week of Service, Louisville's annual showcase of compassion, by putting into action more than 144,000 volunteers and acts of compassion.
- Over four years, Louisville Metro Animal Services increased its live release rate from 38 percent to 75 percent.

A Pass to Success

More than 50,000 Cultural Passes were distributed at no charge to children to promote art and cultural education and prevent summer learning loss.

Dana Allen's children were among the thousands who used the Cultural Pass to keep learning this summer, visiting five attractions. "These passes are truly a blessing for a parent with multiple children," she said.

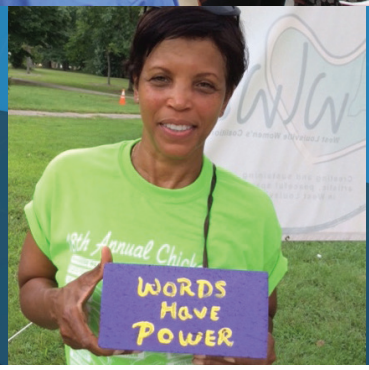
Working for a sustainable future

Further progress was made to cut waste and pollution and increase the tree canopy, which relieves heat stress, reduces smog formation, and improves property values.

Other accomplishments include:

- Implemented the first comprehensive analysis of Louisville's tree canopy, using the results to set an aggressive new goal for planting trees community-wide.
- Added more than 78 additional miles of bike lanes, including important commuting arteries such as Market, Main, Kentucky, Breckenridge, and Hill streets, and Grinstead Drive. Multiple transportation options improve quality of life and help attract the best jobs and best talent.
- To reduce landfill costs and use, implemented a community-wide ban on the use of plastic bags for yard waste.
- Became an EPA Top 25 city for most certified Energy Star buildings.
- Launched a "wet/dry" pilot project for downtown businesses that increased the recycling rate from 11 percent to 57 percent in 10 months. The continued rise in recycling by downtown businesses will help meet the community-wide goal to divert 90 percent of recyclable materials from landfills by 2042.
- Created Louisville's first-ever Sustainability Summit, which led to establishing five Community Action Teams to develop strategies to address challenges related to topics such as public transportation and the urban heat island effect.
- Launched the One Bright City initiative featuring city-led litter monitoring, increased tree planting and a new certification program to motivate citizens to lead their lives in ways that create a more sustainable city.

A city of great Neighborhoods



Metro Government is working to make Louisville's unique neighborhoods even stronger.

- The Big Four Bridge — More than a million people have enjoyed this pedestrian bridge across the Ohio River — a beloved new connection between Louisville and Southern Indiana.
- Lots of Possibilities — The city sponsored this contest as an innovative effort to reduce the number of vacant and abandoned properties. More than 100 applicants competed to design and execute the best ideas for repurposing eight city-owned vacant lots.
- Pedestrian safety — Louisville is working to improve safety for pedestrians with a $300,000 National Highway Traffic Safety Administration grant aimed at education and enforcement activity.
- More than 90 dilapidated homes have been demolished to reduce blight and restore properties to beneficial use.

Putting a priority on safe communities

To build on its reputation of safety, Louisville has made significant investments in both short-term crime control and long-term crime prevention.

Improvements include:

- 96 new Louisville Metro Police recruits.
- The creation of a Real Time Crime Center that is open all day/every day monitoring cameras across our city, from Waterfront Park to West Broadway, to Bardstown Road and Poplar Level. The center also has enhanced crime tracking and mapping capabilities, as well as social-media monitoring.
- Improvements to youth development by expanding community center programming.
- Improved after-school and summer break offerings for our youth, as well as mentoring programs for at-risk kids. The Right Turn grant will match 500 at-risk youths with adult mentors to advise them on educational and career opportunities. (To participate, call (502) 574-4115.)
- An important step to breaking cycles of violence is to support children who have experienced violence. For that reason, the city is serving as a liaison between Jefferson County Public Schools and Louisville Metro Police to ensure that educators are immediately alerted whenever a student has witnessed or been a victim of violence, so teachers and school administrators can respond appropriately with extra support and encouragement.

ReSurfaced

Louisville embarked on a great experiment by creating ReSurfaced, a "pop-up plaza" at a vacant lot on West Main Street. For six weeks in September and October, local arts groups, food truck operators, and craft beer brewers mingled with Louisvillians from all neighborhoods to talk, eat, drink, take in a concert, see a show, and build community.

"ReSurfaced is part of a broader effort to encourage people to see the creative potential in our city's vacant spaces, surface parking lots, and neglected buildings," Mayor Fischer said. "More importantly, ReSurfaced was an experiment in citizenship — envisioned and created by Louisville residents, who then came together there to exchange ideas, think big thoughts, and make the connections that will keep our future strong."

Charting a better financial future

By law (and because it's good policy), Louisville's budget must be balanced. But when Mayor Fischer took office, expenses were growing much faster than revenue, meaning we faced an impending crisis — a structural deficit of $25 million. This structural deficit is now being kept in check by:

- Increased revenues by strengthening our local economy — including the regaining of the 42,000 jobs our community lost during the Great Recession and developing our workforce via the 55,000 Degrees program (an effort to increase education attainment by 55,000 postsecondary degrees by 2020).
- Balanced labor contracts negotiated with city unions that better align costs with revenues.
- A strong business relationship forged with the Louisville Metro Council that enables the city to appropriate funds within our available anticipated revenues.
- Innovative public-private partnerships, such as the one in which Johnson Controls will invest $27 million in energy-efficient infrastructure at Metro-owned facilities at no up-front cost to the taxpayers. The city will reimburse the company with money saved from the 20 percent reduction in energy consumption and lower operating costs. The project will help the environment and improve our facilities with upgrades like new boilers and energy-efficient lighting.
- More fiscally sustainable health insurance plans and a new Wellness Center for improvement of our employees health.
- Increased collections of debts owed to the city by $2 million on a recurring basis.
- Consolidated Metro business operations, resulting in $1 million of recurring savings and clean financial audits.

Financial Snapshot

Louisville has maintained and built on its strong bond ratings.

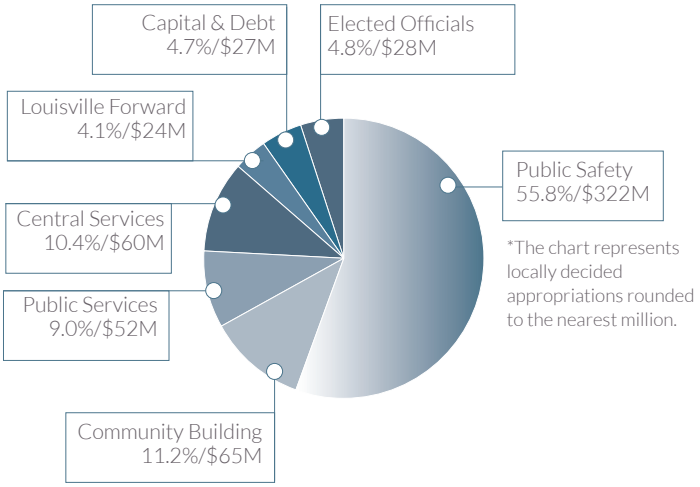
	Pre-Merger County	Pre-Merger City	Merger	Current
Fitch	N/A	N/A	N/A	AAA
S&P	AA	AA-	AA	AA+
Moody's	Aa2	Aa3	Aa2	Aa1

"The long-term rating on the city reflects . . . [a] diverse economy [and] management with strong financial policies and practices."

— Standard & Poor's, 11/6/14

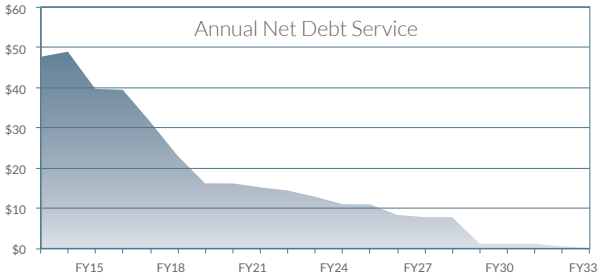
*The credit ratings from these three agencies (Fitch, S&P and Moody's) place Louisville in the top quartile of local governments.

City budget by the dollars



*The chart represents locally decided appropriations rounded to the nearest million.

Long-Term Debt Service Profile



*The graph indicates the payment the city makes on its annual debt (the city's mortgage payment). A significant reduction will occur over the next 5 years. The City's Annual Financial Report shows the outstanding long-term debt of the city reducing from $450 million in FY2010 to $333 million in FY2014.

LouieStat and Performance Improvement

LouieStat is a statistics-based and problem-solving performance improvement system that is transforming Metro Government into an increasingly efficient and cost-effective operation. LouieStat has:

- **Cut in half injury rates (and lost work time) at Public Works & Assets;**
- **Reduced inspection delays at Public Health & Wellness;**
- **Drastically improved Metro Corrections intake process.**

Accolades and accomplishments:

- Named one of the Best Entrepreneurial Cities (Entrepreneur.com)
- Included among America's Breakout Cities for 2014 (CNNMoney)
- Named a Top 20 City With Economic Momentum (NewGeography.com)
- Placed eighth on the list of Best Towns in America (Outside Magazine)
- Named the eighth Most Affordable City in the U.S. (Forbes)
- Listed in the Top 10 Bike-Friendly Cities (USA Today)
- Included among the Top 10 Cities for Being a Homeowner (NerdWallet)
- Cited as a top Creative City for 20-Somethings (PolicyMic.com)
- Named a top food and dining destination in Saveur magazine's 2014 Culinary Travel Awards
- Iroquois Park's Jack-O-Lantern Spectacular was named the top place to get the Halloween spirit by Country Living magazine.
- Mayor Fischer was the only U.S. mayor named one of Governing Magazine's Public Officials of the Year.

Get involved:

Join the 55K movement: 55000degrees.org
Volunteer for Give A Day: mygiveaday.com
Apply for a board or commission: Louisvilleky.gov
Volunteer as a Right Turn mentor: 502-574-4115
Hire a young person for the summer: kentuckianaworks.org
Plant a tree: louisvilleky.gov/brightside

louisvilleky.gov