

Report

ST. JOSEPH COUNTY TO LOUISVILLE

Intercity Visit

September 14 – 15, 2005

The Chamber
Chamber of Commerce of St. Joseph County



ST. JOSEPH COUNTY TO LOUISVILLE

The Chamber of Commerce of St. Joseph County held its first ever Intercity Visit to Louisville, Kentucky on September 14-15, 2005 with 24 business and governmental leaders making the trip. The concept for the visit is simple – travel to another city to discover new approaches and best practices used successfully in other communities. The visit agenda focused on various topics, including creating a culture and resources for fast growth companies, private investment in downtown development, young professionals, university town-gown relations, impact of visitor spending, and regionalism.

Although Louisville is significantly larger than St. Joseph County, it was determined that Louisville had demonstrated significant success in recent years in the key areas of economic growth and prosperity.

Louisville is located in the northern part of Kentucky and borders with Indiana, like St. Joseph County does with Michigan. The city is located at the cross road of major highways

and situated on a major river. Their median household income is \$46,447 which is similar to South Bend's \$45,467 and their median age is 37.22 compared to South Bend's at 35.71. Population growth for Louisville from 2000-2005 was 3.60% compared to South Bend at 0.45%.



Louisville Intercity Visit Attendees

Carl Bossung

Partner
Crowe Chizek & Company LLC

Mark Dobson

County Commissioner
St. Joseph County

Greg Downes

President
Gibson Insurance Group

Rob Ducoffe

Dean, School of Business and Economics
Indiana University South Bend

Mark Eagan

President & CEO
Chamber of Commerce of St. Joseph County

Jan Fye

Regional Director
Small Business Development Center

Nancy Hellyer

Chief Executive Officer
Saint Joseph Regional Medical Center

Doug Jaques

President
Janco Composites, Inc.

Dan Jones

President/COO
Business Development Corporation

Sharon Kendall

Director of Economic Development
City of South Bend

Paul Laskowski

Vice President
Chamber of Commerce of St. Joseph County

Christine Lauber

Owner, Christine A. Lauber, CPA
Chairman, BDC

Chip Lewis

Partner, Jones Obenchain, LLP
Chairman, DTSB

Steve Luecke

Mayor
City of South Bend

Juan Manigault

President & CEO
Northern Indiana Workforce
Investment Board

Mary McLain

General Manager
TRANSCO

Pat McMahon

Executive Director
Project Future

Terry Miller

Director of Public Policy
Chamber of Commerce of St. Joseph County

John Phair

President and CEO
Holladay Properties Midwest, Inc.

David Ray

Editor and Publisher
South Bend Tribune

Jeff Rea

Mayor
City of Mishawaka

Todd Schurz

President & COO
Schurz Communications

Frances Shavers

Executive Assistant to the President
University of Notre Dame

Chuck Viater

President and CEO
MFB

ECONOMIC DEVELOPMENT

Greater Louisville, Inc. (Louisville's Chamber of Commerce) is very creative and aggressive regarding economic development. Louisville made a commitment to entrepreneurship as part of its economic development strategy. The ultimate mission: Dramatically increasing the number and quality of high-impact companies headquartered in Greater Louisville.

City government provides a significant portion of funding that is used in the key initiatives outlined below.

Enterprise Corporation

Focuses on creating a "new culture" of entrepreneurship in Greater Louisville and increasing the number and quality of fast-growth, entrepreneurial companies in the region. Specifically, it assesses ventures for high-growth potential, and provides resources, including a go-to market strategy, business planning and capital acquisition.

High-Impact Portfolio

Funded by Metro Government and administered by greater Louisville, Inc., it identifies and serves companies headquartered in the Louisville area that have a disproportionately higher impact on the metro area economy. The program seeks to establish a firm relationship with these companies that results in further job and wealth creation.

Small Business Development Center

Assists business start-ups and existing small businesses with critical steps in starting and growing a business, including creating a business plan, general management seminars and free one-on-one consulting services.

Inc. tank

Promotes growth and prosperity of existing businesses through education and business development products and services. It offers resources and ideas for small businesses, including networking, workshops and cost-savings programs.

Greater Louisville recognizes the importance of regionalization when it comes to achieving economic growth. As a result, the Regional Leadership Coalition was created.

Louisville is fortunate to have the dynamic and visionary leadership of Mayor Jerry Abramson. When speaking about the importance of growing businesses in Louisville, Mayor Abramson said, "We are going to find them, connect with them, and sit with them shoulder to shoulder and go through everything that can help them grow their business."

The Mayor has established the "7 Cs" for enhancing an entrepreneurial climate:

- Capital attraction – enhancing the pool of early stage venture capital
- Capital pool – creating a pool of expansion capital for growth companies
- Coordinate community resources – one stop shop for entrepreneurs
- Connect - with high impact companies
- Company attraction – bring high growth HQ operations to town
- Cooperative relationships – between companies; mentoring; interns; buy in Louisville
- Community building – quality of life to attract the creative class

"We are going to find them, connect with them, and sit with them shoulder to shoulder and go through everything that can help them grow their business."

*- Louisville Mayor
Jerry Abramson*

One of the initiatives operated by Greater Louisville, Inc. and funded by Metro Government is **The High Impact Portfolio**. This program is charged with nurturing the prosperity of greater Louisville's growth businesses. Recently this initiative received a 2005 award for "Excellence in Urban Economic Development" from the U.S. Department of Commerce.

The High Impact Portfolio focuses on businesses that have the greatest potential for job and wealth creation and therefore enable Louisville to have:

- Diversified economy
- Desirable community
- Opportunity to keep young people and their talents in the region
- Stimulated growth in other businesses and personal spending.

Staff conduct direct interviews with businesses that fit the profile and have the tools and relationships to provide assistance in the areas of: capital, workforce, expansion, partnerships, market exposure, top line solutions.

An additional component includes development of a peer community through the use of:

Mayor's High Impact Recognition Event – creates public awareness and market exposure

High Impact CEO Roundtables – offers confidential advise, workable solutions, fresh perspectives

High Impact Exchange – topic-related programming incorporating best practices, thought leadership, workshops and panel forums

REGIONAL LEADERSHIP COALITION

Louisville is the hub city for an economically diverse region, spanning 23 counties and two states. Though divided by the Ohio River, the community has united behind a vision to make the area a national leader in many fields, such as health care and logistics.

The Regional Leadership Coalition (RLC) is a private-sector coalition of business and civic leaders interested in regional cooperation and action. They work in many ways to reduce barriers to growth and leverage the tremendous power in regional partnering. RLC has brought together stakeholders within the region to work together on economic development issues and raise the level of service to businesses in the region and those seeking to locate there.

Emphasized throughout the presentation on regionalism was the necessity that both private and public entities must agree on the goals and actions to achieve the goals.

Louisville's RLC has identified the following as "Big Issues":

- Economic Development
- Education, human capital
- Transportation
- Air Quality

The key to achieving regional economic development is communication coupled with listening to your partners, always thinking regionally and being inclusive.

As one member of the visiting delegation stated, "When Louisville has put itself in a position that is starts calling Indianapolis, Cincinnati and Nashville its peers, there is obviously something good happening."

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- Member of the South Bend Visiting Delegation

ENTERPRISE CORPORATION

The Enterprise Corp. is the functional area within Greater Louisville, Inc. focusing on businesses zero to four years old with fast growth potential.

Using a specialized "A-B-C" approach assures that each client receives an individual plan and connects with resources. GLI provides a comprehensive **Assessment** of a company's growth potential. This process will determine if the person/business is an appropriate client for the Small Business Development Center or the Enterprise Corp. The next stage is proper **Business Planning** to prepare the company for growth. In most cases, they will help raise **Capital** from a mix of debt / loans / and private equity to fund growth.

From the time period of January 2004 through mid-2005 Enterprise Corp. clients have raised \$16.5 Million of private equity, and two clients have sold their companies for a combined \$38 Million.

These are some of the ways the Enterprise Corp. helps companies grow their business:

- Assessing the upside potential for a business
- Connecting the business with service providers to develop and protect technology
- Building a management team with the right people
- Providing tools for building a professional business plan, complete with a 5-year financial pro-forma
- Equipping business owners to present a first-class Power Point presentation to prospective investors and customers
- Conducting valuation workshops to determine the value of a business
- Identifying sources of capital (grants, debt, private equity) for both near-term and longer-term phases of growth
- Introducing business owners to investors, using Kentucky's largest and most active network of Angel and Venture Capital investors

BUSINESS—HIGHER EDUCATION PARTNERSHIP

The Louisville community receives strong support and collaboration from the University of Louisville. The university is a state supported research university with 11 colleges and schools. Current enrollment is approximately 22,000 students.

Related to our specific interests, one university goal is – “To become a preeminent metropolitan research university, nationally recognized for our success in advancing the intellectual, social, and economic development of our community and its citizens”.

The university is interested in being responsive to the needs of the business community, concentrating on the major “business clusters” that drive the local economy.

Specifically the university has the following Strategic Focus Areas:

- **Health Sciences / Life Sciences**
- **Logistics and Distribution Management**
- **Entrepreneurial Programs**
- **Early Childhood Research**
- **Material Science / Advance Manufacturing Systems**

Greater Louisville, Inc. includes among its entrepreneurial success factors technology. They consider technology in its traditional sense, as an idea for a new or improved product or service. The idea might be an invention, such as a new, patent-protected device or method, or an innovation, such as a better way of doing something. In addition to ideas coming from an entrepreneur, traditionally new ideas are produced by universities and public and private research institutions.

The university has steadily increased available research dollars and that is positive. Other indicators of success as related to economic impact are the number of postsecondary degrees awarded and patents issued.

CONVENTIONS, TOURISM AND SPORTS

The economic impact of visitor spending is clearly recognized by the Louisville community. So much so, a major commitment has been made to attract experienced, nationally recognized individuals to lead both the Convention & Visitors Bureau and Sports Commission. The CVB has an annual budget of nearly \$10 million dollars.

The CVB has done an excellent job of quantifying the importance of tourism and its impact to the economy. Specifically they track data related to many things including travel & tourism related jobs, payroll, numbers of visitors, convention delegate expenditures, visiting friends and relatives, business travel.

The Greater Louisville Sports Commission has as its mission: “...attracting, creating and hosting sports-related events and opportunities that: have a positive economic impact, enhance the image of the greater Louisville area and improve the quality of life for area residents and sports enthusiasts”.

The Sports Commission’s annual budget of \$500,000 is funded by the CVB (\$300,000), the city (\$150,000) and the remaining is net income from event revenue.

The Commission has a diverse resume that includes having hosted national championships in 12 different sports and international championships in 3 different sports.

The Sports Commission identifies its value to the community in the following ways:

- **economic impact**
- **enhanced visibility**
- **media exposure**
- **public relations**
- **quality of life**
- **role models**
- **improvement to infrastructure**
- **spin-off economic development opportunities**
- **increased tourism through repeat visits**

YOUNG PROFESSIONALS

Like many communities, Louisville realizes the importance of retaining young professionals. Many efforts have been made to address the needs of those aged 22–39 and groom Louisville’s next generation of leaders and citizens. In particular, the Young Professionals Association of Louisville (YPAL) and the Urban League Young Professionals have been formed to make Louisville the best place for young professionals to live, start a career, build a business, raise a family and become involved.

YPAL provides opportunities for members to engage themselves in the community, learn more about important local issue and develop themselves – all while connecting with peers and the city’s established leaders. Conversely, community leaders are keenly aware of YPAL’s importance. They value the input and contributions of these emerging leaders.

A similar type organization ULYP also draws attention to the political process and attempts to engage members in active political participation and leadership on key community issues.

Both organizations utilize the power of networking events, community service, and social opportunities to achieve their goals. YPAL offers free admission to signature events and exclusive members-only opportunities. Currently YPAL has 600 members.



GENERAL OBSERVATIONS BY DELEGATION

- Working together proves most effective to achieving important community goals – we saw positive examples of collaboration displayed by business-education-local government
- The business community in Louisville took leadership to make things happen – business leaders are involved in many aspects of community betterment and they are welcomed and encouraged
- Communication is critical – a premium is placed on open and ongoing dialogue even during disagreement on the best way to approach a certain issue
- Regional approach is paramount – many partners working to systematically develop a vision featuring a strong combination of private and public investment
- Economic development and quality of life go hand in hand – they are not separate concepts but must be simultaneously pursued
- Involvement of higher education is essential – strengthening the interest and cooperation of colleges and universities is critical to success
- Working with local and state government needs to be a friendly, seamless process
- Diversification of economy serves all people – accepting the importance of the innovation / knowledge economy is at least as essential as trying to maintain the manufacturing economy
- Must encourage and assist innovators and entrepreneurs – must have opportunities and assistance for those inclined to nurture ideas, get support, connect with others
- InterCity Visit experience was very rewarding – an opportunity for leaders to better get to know each other, learn of other community best practices, begin to discuss mutual vision and goals to accomplish

DOWNTOWN DEVELOPMENT

Downtown Louisville is undergoing redevelopment and revitalization. It has been successful in creating a vibrant downtown that has become the center of business activity, entertainment, arts and culture.

Metro Government has been committed to a partnership with private developers to enable the financing of many different projects including a significant number of downtown residential properties. In prior comments Mayor Abramson was quoted as saying, "Downtown is the place in our community where new urban design meets spectacular old architecture ...where histories preservation and the bold-and-new live in harmony...In that way it can inspire neighborhoods and development throughout the entire city of Louisville to find creative solutions to the challenge of honoring the character of a place while creating something new".

An area of Metro Government known as the Downtown Development Corp is instrumental in helping lead downtown projects. This department interacts with developers, contractors, designers, realtors, businesses and residents to encourage downtown revitalization and growth.

The use of urban streetscapes and mixed-use development have been major factors in the attractiveness of the city center. Several buildings now house 1st-floor retail businesses and several levels of residential and parking. This approach has attracted a diverse base of new businesses and residents.

Following are just a few of the successful projects we learned about:

- [Glassworks Building](#)
- [New Marriott Hotel](#)
- [Waterfront Park](#)
- [Fourth Street Live](#)
- [Muhammad Ali Center](#)
- [Frazier Historical Arms Museum](#)
- [Renovation of the Galt House](#)
- [Louisville Slugger Field](#)

GROUP DEBRIEFING

September 19, 2005

During The Chamber's regularly scheduled board meeting on September 19 a debriefing on the Intercity Visit to Louisville took place. Following are some conclusions shared during the session:

- The visit enlightened us to recognize what others are doing and the need for our area to be competitive
- GLI – The Chamber – brought people and tools together. Spoke from a regional perspective
- Everyone in Louisville seemed to be on the same page and agenda
- The Mayor and school superintendent include each other in their cabinet meetings
- Health systems work together on research and their relationship with the university
- Mayor was impressive leader with buck stops here approach
- Mayor recruited top people on his staff
- The Chamber needs to take ownership, commit to being a leader and a partner to advance lessons learned
- We have a need for a coordinated overall strategy. Need to inventory what is being done locally that mirrors what we heard about in Louisville, as well as areas where there are gaps in focus and resources. There needs to be a small planning group to include Chamber, local government and Notre Dame
- Connection necessary to Notre Dame and Indiana University South Bend research to commercialize ideas. Identify the point people and venture capital; seek more liberalized policies and procedures to make commercialization easier to occur
- Identify, promote and encourage gazelles, companies growing by 20% plus, each year
- Attract and retain young professionals through jobs, housing and entertainment
- Develop a competitive set of communities and areas to benchmark ourselves

AGENDA

September 14, 2005

7:30 a.m. (S. Bend Time)	Depart South Bend
9:45 a.m. (Lou. Time)	Arrive in Louisville Travel to Enterprise Center at 123 E. Main Accompanied by Terri Weber, Membership Development Mgr, GLI Bus will drop off people and take luggage to hotel for delivery to rooms.
10:30–11:15 a.m.	The Louisville Story Joe Reagan, President and CEO Greater Louisville Inc.
11:15 a.m. – 12:15 p.m.	Providing Resources to Emerging Companies with Fast-Growth Potential Mark Crane, Executive Director Enterprise Corp.
12:15-12:30 p.m.	Walk to Louisville Slugger Field
12:30-1:15 p.m.	Lunch at Park Place (private dining room)
1:15-1:30 p.m.	Travel to Louisville Med Center Development Corp.
1:30-2:00 p.m.	Creating a Vibrant City The Honorable Jerry E. Abramson Mayor, Louisville Metro Government
2:00-3:00 p.m.	Downtown Development Bruce Traughber, Cabinet Secretary – Community Development Louisville Metro Government Barry Alberts, Executive Director Downtown Development Corp.
3:00-3:15 p.m.	Break
3:15-4:15 p.m.	Nurturing the Prosperity of High Impact Businesses Kent Oyler, CEO OPM Services Lisa Bajorinas, Director High Impact Program Greater Louisville Inc.

4:15-5:00 p.m.

Young Professionals

Eric Gunderson, President
Young Professionals Association of Louisville

Melanie Givens, President
Louisville Urban League Young Professionals

5:00-5:45 p.m.

University Role in Strengthening the Region

Nancy Martin, Senior Vice President for Research
University of Louisville

5:45 p.m.

Travel to Seelbach Hotel

6:00 p.m.

The Seelbach Hilton
Hotel Check-in

6:45 p.m.

Dinner

4th Street Live
\$75 Million Redevelopment Open-Air Entertainment District
Private Dining Room at Maker's Mark Bourbon House & Lounge

*** Meet in hotel lobby at 6:45 p.m. – walk to restaurant as a group ***

September 15, 2005

7:00-8:00 a.m.

Buffet Breakfast at the Seelbach

8:00 a.m.

Board Bus for City Tour

*** We will meet and board bus from main lobby of hotel ***

8:00-8:45 a.m.

Louisville City Tour (Narrated by Bruce Traughber)

8:45 a.m.

Arrive at Frazier Historical Arms Museum

9:00-9:15 a.m.

Welcome
Ed Webb, Executive Director
Frazier Historical Arms Museum

9:15 –9:45 a.m.

The Impact of Visitor Spending

James T. Wood, President & CEO
Greater Louisville Convention & Visitors Bureau

9:45-10:30 a.m.

**Enhancing the Communities Image, Economy and Quality of Life Through
Creating and Hosting Sporting Events**

Andy Jugan, Executive Director
Louisville Sports Commission

10:45-11:15 a.m.

Travel to Churchill Downs

11:30 –12:15 p.m.

Tour Churchill Downs

12:20 –12:45 a.m.

Lunch (Derby Room)

12:45-1:30 p.m.

Advancing a Regional Perspective

Rich McCarty, Executive Director
Regional Leadership Coalition

1:45 p.m.

Travel to Airport

2:15 p.m.

Depart Louisville

2:30 p.m.

Arrive South Bend (Local Time)

COMPARISON

LOUISVILLE, KY - SOUTH BEND, IN

	Louisville MSA	South Bend MSA
Population	1,203,842	318,102
Growth 2000-2005	3.60%	0.45%
White Population	82.77%	82.70%
Black Population	13.29%	10.40%
Asian Population	0.26%	1.46%
Hispanic Population	2.15%	4.78%
Median Age	37.22	35.71
Median Household Income	\$46,447	\$45,467
Cost of Living Index	93.3	95.3
Civilian Workforce	648,500	165,400
Employment in Manufacturing	12.1%	12.2%
Employment in Services	39.0%	44.7%
Unemployment Rate	5.3%	5.6%
Blue Collar	28.13%	28.51%
White Collar	57.50%	56.66%
Average Daily Round Trip Commute	46.0 minutes	38.9 minutes
High School Graduate	72.86%	74.3%
College Graduate	27.15%	27.59%
Median Home Price	\$135,300	\$93,800