

LOUISVILLE DOWNTOWN

MANAGEMENT DISTRICT
2021 OPERATIONS SUMMARY



LOUISVILLE'S BUSINESS IMPROVEMENT DISTRICT

Kentucky's first Business Improvement District was established by the City of Louisville in 1991, through enabling legislation by the Commonwealth of Kentucky, which is overseen by the Louisville Downtown Management District (LDMD). The organization's mission is to enhance the economic, residential, and cultural vitality of Downtown by creating a safe, clean and enjoyable environment. As a result, the majority of LDMD's budget is devoted to providing "safe, clean & hospitality" operations through the activities of its Downtown Ambassadors; undertaking public space enhancement projects such as public art installations and beautification programs; communicating and marketing the amenities and attractions of Downtown to workers, residents and guests; and providing detailed data regarding the economic vitality of Downtown to those helping to drive the continued growth of the area.

According to state statute and local ordinance, LDMD may only provide services within its boundaries, and which are supplemental to any services which may be provided by Louisville Metro.

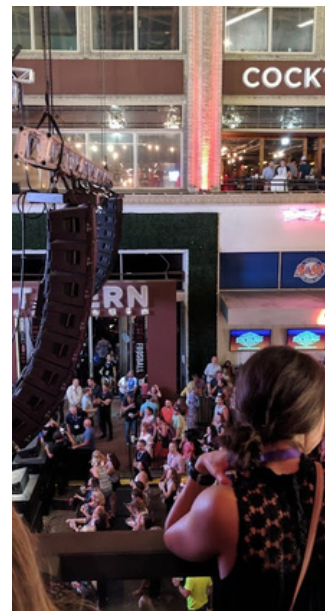
LDMD and the Louisville Downtown Development Corporation (DDC) came together under one organization, the Louisville Downtown Partnership (LDP), in 2013. DDC is a private, non-profit 501(c)(3) organization dedicated to the long-term economic health of Downtown Louisville, and represents the community's civic and business leadership.

OPERATIONAL HIGHLIGHTS

Despite the ongoing disruptions caused by the Covid-19 pandemic in 2021, the District and Downtown Louisville continued on the path towards revitalization and the vision of building a neighborhood that is open and welcoming for everyone.

Downtown witnessed a healthy return of leisure tourism, convention businesses, and visits to attractions, while the return to the office still lagged:

- Conventions rebounded from 160 in 2020 to 337 in 2021, 239 of which were in the latter half of the year.
- Visits to attractions recovered to approximately 80% of pre-pandemic levels.





Ambassador program

With the significant return of guests and visitors, our Ambassador program returned to a pre-pandemic focus on hospitality and safety services, adding five additional Hospitality & Safety Ambassadors in the second half of the year to provide friendly, smiling faces on the streets of Downtown during major conventions, events, and in support of our downtown attractions and businesses. This emphasis on hospitality and safety was reflected in a nearly 200% increase in 2021 Ambassador hospitality contacts compared to 2020.

Our downtown restaurants and retail businesses also experienced a recovery. As a direct result of the pandemic, Downtown experienced a net loss of 23 street-level businesses in 2020. In contrast, by the end of 2021, 30 new businesses had opened in Downtown, and 17 had closed. However, these businesses continued to experience considerable headwinds with the absence of tens of thousands of downtown workers who still had not returned to the office. In response, the District and DDC, made a concerted effort to promote and welcome new business. Ambassador contacts with our restaurant and retail storefronts increased more than 60% compared to 2020.

The ongoing impacts of the pandemic continued to disproportionately impact our most vulnerable people, with a sustained increase in Downtown's street population and those experiencing homelessness. Our Ambassadors and staff dedicated considerable resources trying to find help for those in need while also serving as a conduit to communicate the concerns of the business community about quality-of-life issues created by associated problematic street behaviors. While the number of biohazardous clean-ups decreased slightly in 2021 compared to 2020, there was still more than a 650% increase in clean-ups of needles and human waste compared to pre-pandemic levels.

The District also dedicated significant resources towards graffiti abatement in 2021. While the number of tags, murals, stickers, and marker scrawls decreased by more than 40% compared to 2020, Downtown still experienced more than a 20% increase compared to 2019. Additionally, the number of large tags and murals, which required more time and expense to address, increased dramatically compared to prior years.

Operational Statistics

Overall, the District dedicated approximately 60% of its resources on the core safe and clean operations within its boundaries in 2021. Taking the continued impacts of the pandemic into consideration, these activities included:

- daily cleaning of the public right of ways, removing approximately 123,250 pounds of litter and debris from sidewalks and alleys
- clean-up of 709 biohazardous materials
- abatement of 1,318 graffiti tags and stickers, still at higher levels than before the pandemic
- 5,976 contacts with guests and visitors as a result of enhanced hospitality and safety patrols
- 374 business check-ins and contacts with street-level restaurants and retailers
- cleaning of ice and snow on the sidewalk ramps and TARC bus shelters
- seasonal weed abatement and leaf removal in public right of ways
- deployment, maintenance, and in multiple cases, restoration, of 144 self-watering planters





ECONOMIC DEVELOPMENT & MARKETING HIGHLIGHTS

The District dedicates considerable resources in supporting the economic development of the Central Business District (CBD) and in the marketing of Downtown to guests, visitors, workers, and residents. Downtown's economy is supported by three main pillars: 1) office workers (~61,000 pre-pandemic), 2) visitors, residents and office workers attending conventions, visiting attractions, going to events, and patronizing restaurants and retail shops, and 3) workers, patients and their families in the Louisville Medical & Education District (newly branded LouMed).

While Downtown's hospitality sector showed meaningful signs of recovery from the Covid-19 pandemic, uncertainty about the emergence of additional Covid-19 variants continued to slow recovery, notably with the delays in office workers returning to pre-pandemic levels. Since the District had limited influence on the return of office workers, it focused on supporting the hospitality sector through encouraging events, promoting the cleanliness and hospitality of Downtown, and helping to implement the recommendations of the Downtown Revitalization Team's action plan adopted in early 2021.

The District released \$125,000 in reserve funds to directly sponsor and market low-barrier events. In 2021, \$75,000 of these funds and leveraged in-kind donations were used to help organizers produce fifteen diverse and inclusive events, notably at the RePurposed space on historic West Main Street. 70% of the funding supported minority-owned or women-owned organizations. The remaining funds were dedicated to event support and marketing, notably the creation of a comprehensive events calendar on the District's website which became the primary community resource regarding Downtown events, with traffic on the events page increasing from 6,217 views in 2020 to 125,886 in 2021.

The District also partnered with DDC to commission a Downtown Louisville Economic Impact Report to show the critical role a strong Downtown provides to the health and vibrancy of the entire county and metropolitan area. While the CBD is less than 0.5% of the county's land area, it provided more than 13% of the total jobs in the county in 2019. Salaries and wages in the CBD averaged \$71,600 compared to \$53,600 county-wide, with 62% of CBD workers making over \$40,000 per year. Economic activity in the CBD generated \$8.5 billion in annual gross domestic product and provided more than \$148 million in tax revenue (occupational taxes, real estate taxes, and net profit taxes).

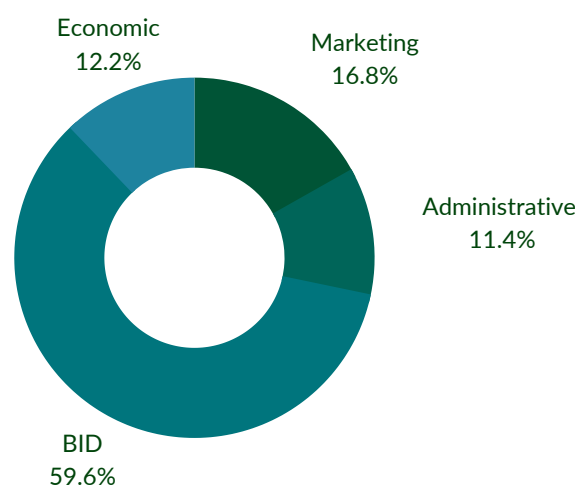
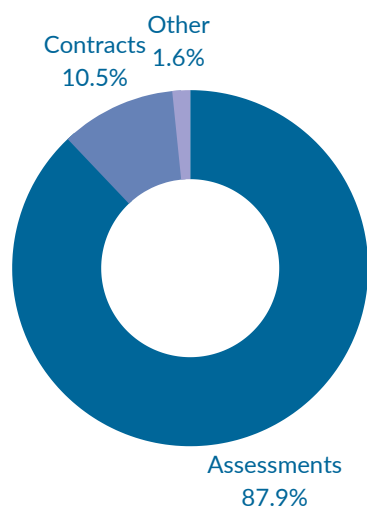
Research and data sharing also remained a vital component of the District's mission to facilitate and strengthen commerce, as well as stimulate quality development in and around the Downtown. The District's research department collects and publishes a myriad of relevant data, including census, commercial, development, hospitality, parking, residential, and transportation information. This research, along with detailed maps and commercial, residential and development listings, is available on our website and is used by developers, public agencies, and other private and public entities to make informed decisions about their activities and investments in Downtown Louisville.





FINANCIAL HIGHLIGHTS

The District's expenses in 2021 totaled \$1,749,762 and its net position decreased by \$32,911 compared to prior year. The assets of the District exceeded its liabilities by \$751,208 at fiscal year-end. Of this amount, \$57,750 is invested in capital assets.



REVENUES

Assessments	1,509,351
Contracts for Service	179,725
Other Income Sources	27,748
Total Revenue	1,716,851

EXPENDITURES

BID Operations	1,042,537
Economic Development	212,693
Marketing, Communication & Events	294,284
Administrative & Finance	200,248
Total Expenditures	1,749,762

Looking forward, Louisville Downtown Partnership will be working with Louisville Metro Council and the Mayor's Office on its American Rescue Plan application to help small businesses and to encourage adaptive reuse of underutilized office buildings, as well as funds for infrastructure improvements from the federal Infrastructure Investment and Jobs Act. LDP also is focusing on new tools to encourage and incentivize Downtown housing, in particular at more accessible price points, and activating spaces and creating events that will provide enjoyable, safe and popular experiences.

Downtown remains the heart of the region and continues its revitalization as the neighborhood for everyone in our community.



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