

2. EMPLOYMENT

THE TREND: Jobs remain concentrated in the emerging Regional City of Louisville but job growth is accelerating in surrounding areas.

Employment in the greater Louisville region is growing. Metro Louisville experienced strong job growth during the 1990s. Between 1990 and 1999, the number of jobs in the region increased by 20.6 percent. That growth more than tripled the region's more modest population growth. In 1999, the total number of jobs in the 7-county region reached 679,000.¹ Employment in the Regional City also grew at a rate of 16.8 percent, or by 75,425 new jobs, during that time period, bringing the new city's total number of jobs to 523,124.

Employment in the metropolitan area remains concentrated in the Regional City of Louisville, though. Four out of five metropolitan area jobs were located within the Regional City, as compared to two-thirds of the population, in 1999. Most major employers in the region—United Parcel Service, General Electric, Ford, Humana, banks and hospitals—remain firmly rooted in the Regional City of Louisville.

JOBS ARE RELATIVELY CENTRALIZED IN METRO LOUISVILLE

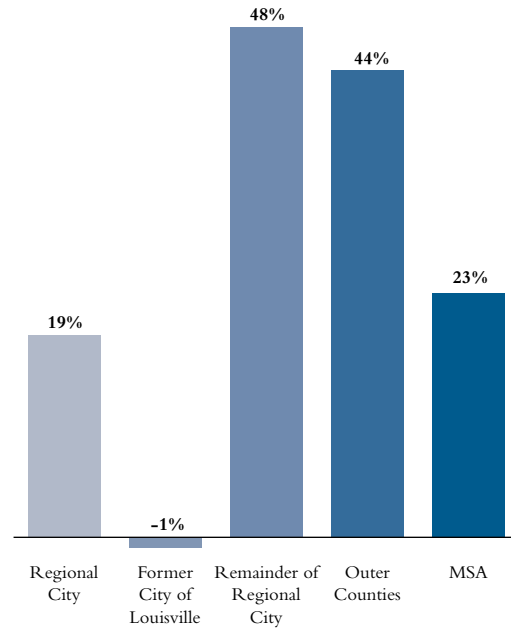
Metropolitan Area	% of MSA Jobs Located in Core County (1999)	% of MSA Area contained in Core County	Job Concentration Index
Indianapolis	67%	11%	5.96
Omaha	77%	13%	5.74
Cincinnati	64%	12%	5.25
Nashville	60%	12%	4.89
Columbus	80%	17%	4.66
Richmond	30%	7%	4.55
Louisville	77%	19%	4.21
Charlotte	60%	16%	3.86
Kansas City	40%	11%	3.60
Memphis	87%	25%	3.47
Jacksonville	82%	29%	2.78
Greensboro	41%	17%	2.45
Raleigh	57%	24%	2.38
Birmingham	83%	35%	2.37
Dayton	64%	27%	2.32

Source: HUD, State of the Cities Data System

The region’s job base is beginning to move outward, however, both within and beyond the Regional City. Within the Regional City of Louisville, the number of jobs outside the former City of Louisville increased by 48 percent between 1991 and 1999. In fact, by 1999, the former central city and its Jefferson County suburbs retained equal 40 percent shares of the region’s jobs. This is a big change from 1991, when the former central city boasted 50 percent of the region’s jobs while its county suburbs had 33 percent. This change reflected the fact that the former central city lost jobs while its surrounding communities grew. Furthermore, during the same period, the number of jobs in the outer counties increased by 44 percent.

job suburbanization has taken place within the Regional City, giving the region’s central jurisdiction critical added advantage as it seeks to hold onto desirable jobs, retail development, and population.

THE STRONGEST JOB GROWTH IN THE 1990S OCCURRED IN OUTER PARTS OF THE REGIONAL CITY

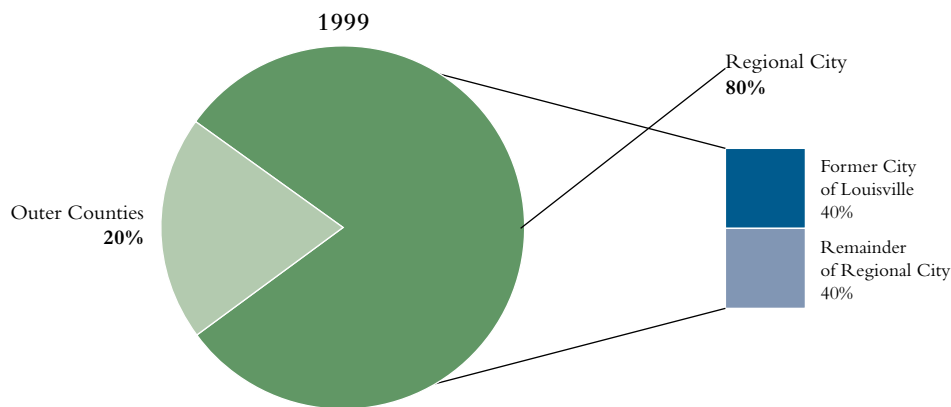


Source: HUD, State of the Cities Data System

WHAT THIS MEANS:

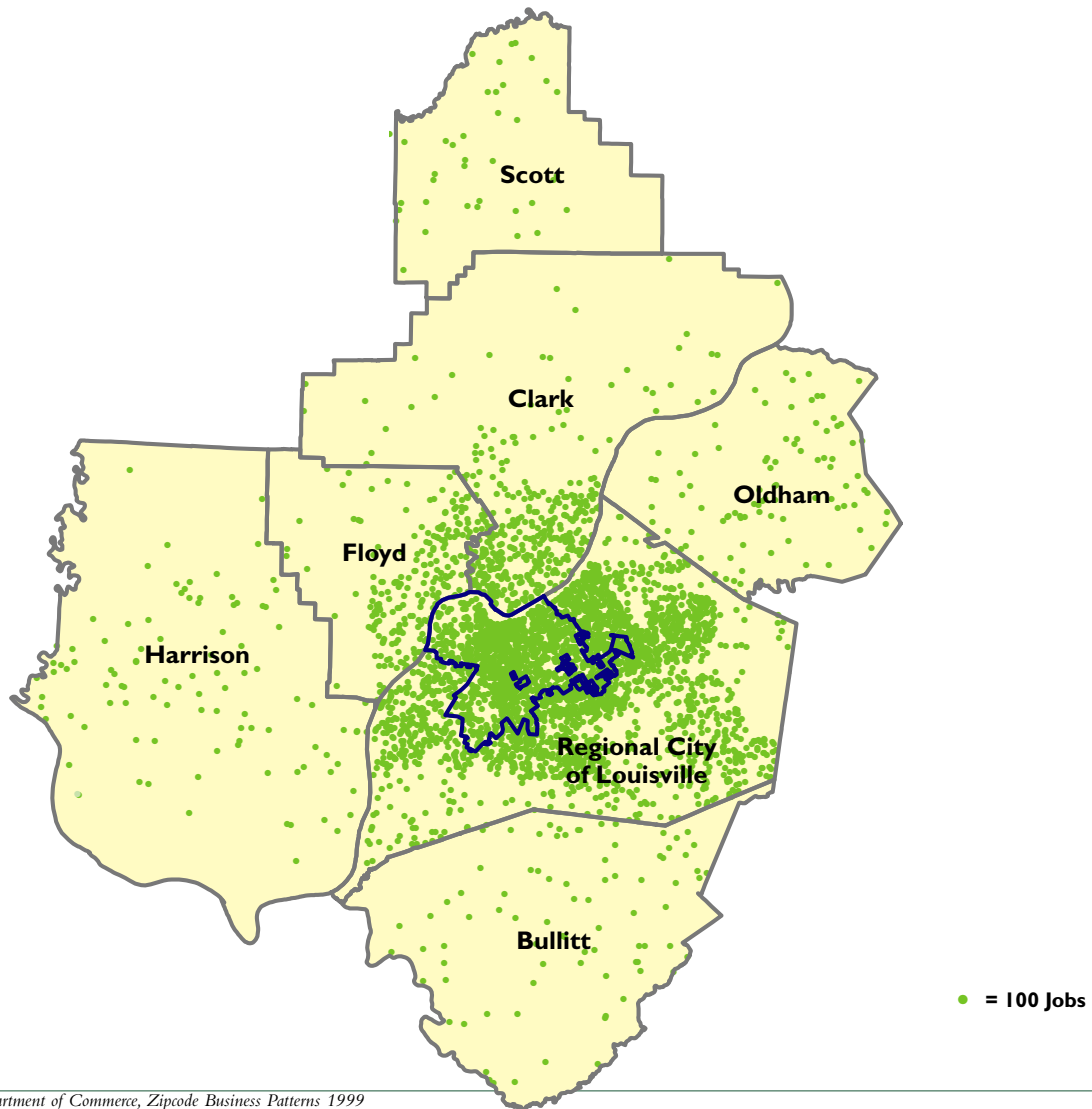
The strong concentration of the region’s jobs within its borders puts the new Regional City of Louisville in a good position to preserve and expand its economic vitality. With 80 percent of all metro-area jobs within its borders, the Regional City of Louisville dominates the region’s economy and stands poised to extend that dominance into the future. Moreover, Louisville’s jobs—as with its population—remain more centralized in its core county than they do in many of its peer regions, demonstrating that job decentralization has not weakened this metropolitan area to the same degree. In fact, the Louisville region’s

JOBS REMAINED CONCENTRATED IN THE NEW REGIONAL CITY, BUT HALF NOW LIE OUTSIDE THE FORMER CENTER CITY



Source: HUD, State of the Cities Data System

METRO LOUISVILLE: LOCATION OF JOBS BY ZIPCODE, 1999



Source: U.S. Department of Commerce, Zipcode Business Patterns 1999

However, the widening dispersal of people around the region's relatively compact job core could expand the area's commuter shed and raise other challenges to transportation and land-use planning. Already, as many as 36 percent of the Regional City of Louisville's workers live outside the former county, up from 29 percent in 1980, according to University of Louisville researcher Paul Coomes.² And meanwhile, notes Coomes, Louisvillians are getting comfortable with driving more and more miles to work. He suggests that thousands of metro-area workers are now commuting as many as 30 to 60 miles from exurban or rural residences to urban jobs

most often in the Regional City of Louisville.³ These commuters' convergence on the region's core has already begun to generate increasing traffic problems. While commute times have not yet emerged as a serious issue, the region's widening "commuter shed" has potential implications for the region's long-term transportation and land-use planning.

Job dispersal may also weaken the old center city and create difficulties for central city job-seekers. Ultimately, the drift of jobs away from the urban core and into suburban areas means that the economic strength of Louisville's core is dissipating.

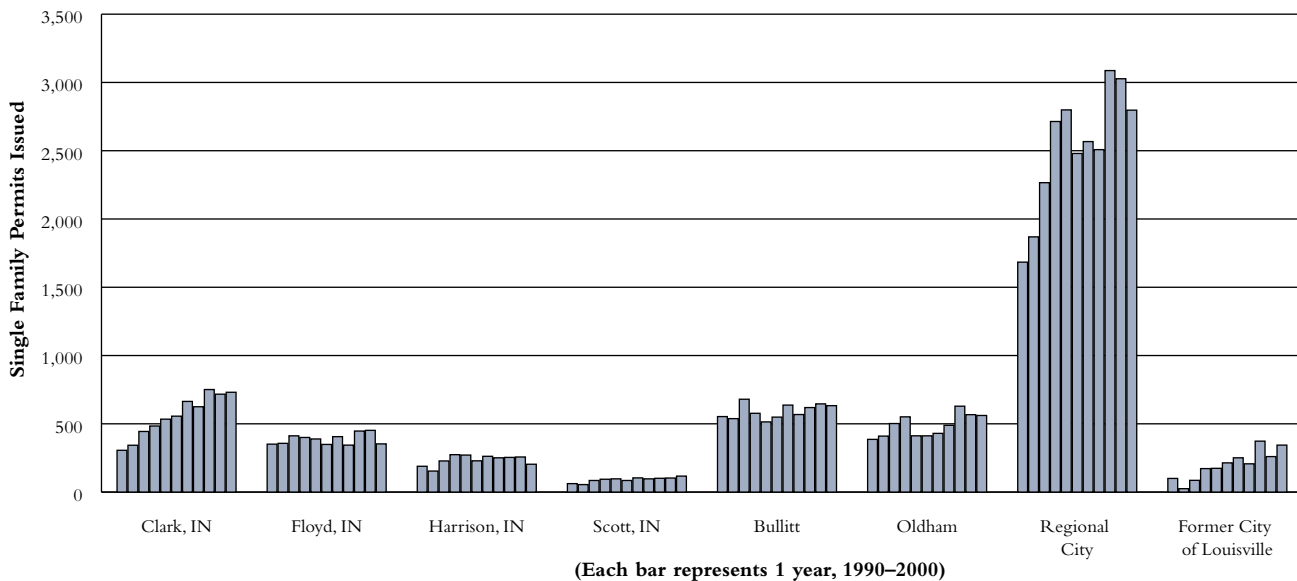
3. LAND USE AND DEVELOPMENT

THE TREND: The Louisville region remains compact but is developing more and more land at its periphery.

Greater Louisville’s urbanized area retains a degree of focus. The Louisville region remains relatively compact. That the Regional City of Louisville contains 68 percent of the region’s people and 80 percent of its jobs underscores this compactness. The Regional City’s issuance of just over half the region’s new single family home permits confirms that for now at least development remains focused on the region’s central county.

However, the bulk of the region’s residential development is occurring at the edge of the new Regional City of Louisville—especially to the east. There, new home development is moving toward and beyond the new city’s boundary, which is reflected in the widening service area of the Louisville/Jefferson County Metropolitan Sewer District.

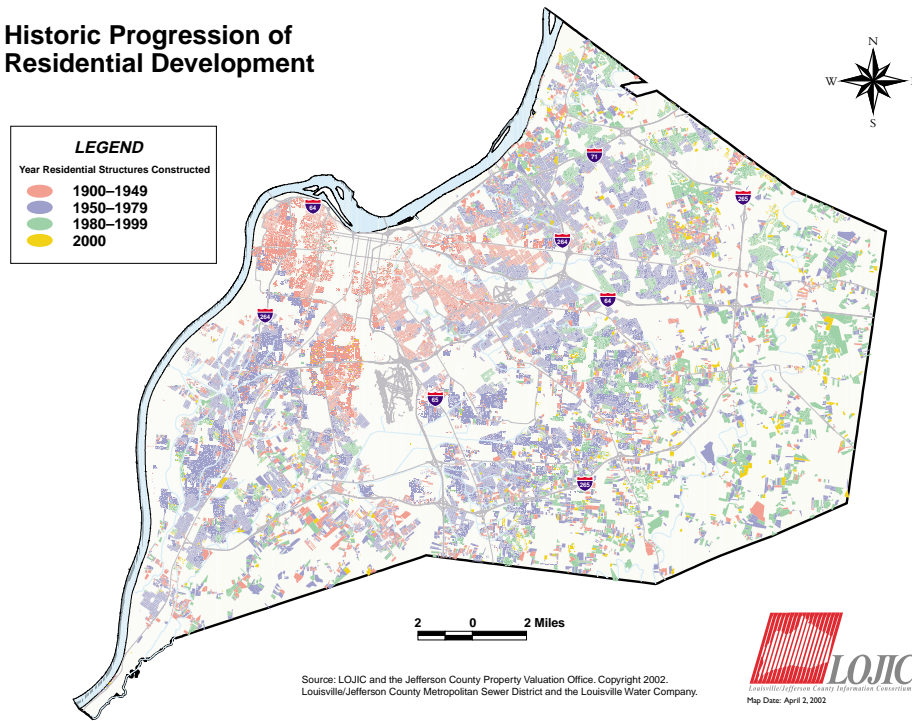
THE NEW REGIONAL CITY OF LOUISVILLE DOMINATED HOMEBUILDING IN THE REGION DURING THE 1990S



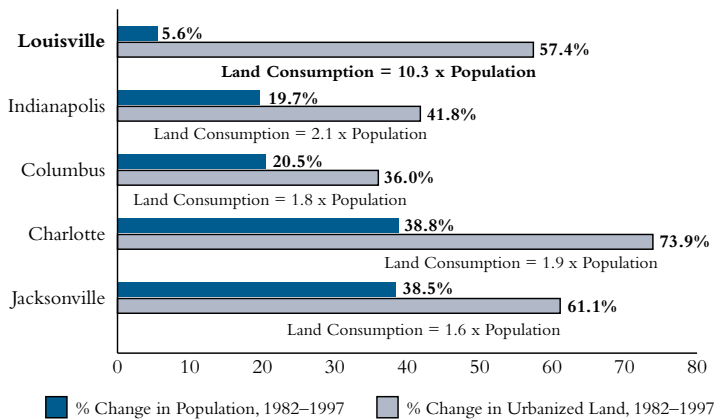
Source: U.S. Census Bureau

HISTORIC PROGRESSION OF RESIDENTIAL DEVELOPMENT

Historic Progression of Residential Development



METRO LOUISVILLE HAS URBANIZED LAND MUCH FASTER THAN IT ADDED POPULATION OVER THE LAST TWO DECADES



Source: William Fulton, et al., "Who Sprawls Most?" Brookings Institution, 2001

Furthermore, the Louisville region is consuming a lot of land despite low population growth. In fact, by one measure—the extent of land consumption relative to population growth—the Louisville area has been dispersing outwards more severely than many major metro areas in the country, including competitor

regions. This ratio shows that between 1982 and 1997, the Louisville region’s population increased by a modest six percent, yet the amount of land converted to urbanized use grew by almost 60 percent.⁴ In short, Louisville’s land consumption outpaced its population growth over the 15 years by a factor of ten. This ratio of land consumption to population growth greatly exceeded those logged in the Indianapolis, Columbus, Charlotte, and Jacksonville metro areas, where land consumption occurred at a rate only double that of population growth.

Population density in the Louisville region is dropping. Overall growth in the region is moving out across the landscape rather than congregating within existing communities, even though expansion is constrained spatially by the Ohio River. Thus, the population density of the urbanized area has been sliding. The Louisville region’s urban area, in fact, grew 33 percent less dense between 1982 and 1997.⁵ That took the region from substantially above-average density in 1982 (at 5.12 persons per square acre) to below-average density (3.43 persons) by national standards. This one-third drop in the density of the urbanized area exceeded the 23 percent decline registered across Southern regions.

METRO LOUISVILLE'S FORMERLY HIGH DENSITY SLIPPED BELOW THE NATIONAL AVERAGE AS IT URBANIZED

	Density (Persons per Acre)			% Change in Population, 1982-1997	% Change in Urbanized Land Area, 1982-1997
	1982	1997	%Change		
Louisville MSA	5.12	3.43	-33%	5.6%	57.4%
South	3.68	2.82	-23%	22.2%	59.6%
U.S.	4.46	3.55	-20%	17.0%	47.1%

Source: William Fulton, et al., "Who Sprawls Most?" Brookings Institution, 2001

WHAT THIS MEANS:

Rapid, low-density development in the new City of Louisville may unravel the regional city's strength as the region's core. The Regional City of Louisville stands apart from other central counties in the country in that it has been able to maintain a dominant share of its region's residential and employment activities. While that dominance weakened in the 1990s, the erosion was small. Yet, the latest land consumption figures show that, despite the relatively small percentage of new residents, the seven counties in the region developed a lot of land. That low-density development paves the way for more jobs and people to migrate to the outer counties. If left unaddressed, this pattern of growth will undermine the centrality of the new Regional City and undermine the new municipality just as it has weakened other American metropolitan areas.

Low-density, poorly planned development puts strains on roads, sewers, schools and government finances. Most obviously, low-density suburbanization puts enormous pressure on the infrastructure of the places where it occurs. Decentralization is already requiring, for starters, that large swaths of the Regional City of Louisville and the outer counties (which were essentially rural before 1980) make significant investments in infrastructure—whether it be in new schools, new intersections or new sewer and water lines—simply to accommodate the movement of people outward. Study after study has demonstrated the strain such demands place on regions' ability to maintain themselves. In fact, the Louisville and Jefferson County Metropolitan Sewer District "has spent more than \$500 million in the past ten years addressing infrastructure deficiencies related to poor or misaligned planning and zoning policies."⁶ Quite simply, the per capita costs of providing infrastructure and many services to sprawling communities exceed those for denser communities.

Low-density decentralization also hurts the future Regional City's competitiveness and quality of life. While growth is good, quality growth is better. Rapid, low-density expansion of the Regional City and ultimately the larger region, however, could undermine the area's urban, rural, and natural assets. **First**, the "de-centering" of commercial and residential life could destabilize efforts to strengthen the Regional City's downtown and older neighborhoods. **Second**, unplanned low-density development will hurt the Regional City's ability to create healthy urban, suburban, and even rural communities to optimize residential choice for families. **Third**, the region's development patterns are widening the region's "commuter shed," thereby lengthening the distance many Louisvillians must travel to work. **Finally**, the impact of unplanned development on the region's natural assets threatens to erode the integrity of what is "uniquely Kentucky," and so impact the region's "quality of place," which is increasingly important in attracting and keeping talented new workers and companies.

This lower density development may have occurred because of dated land use and zoning policies, which point out the need for better overall transportation, infrastructure, and land use planning. Much of the land in the outer reaches of the Regional City of Louisville was last zoned in the 1940s at R-4, meaning at development levels of up to four residences per acre. Now, new developments in the outer counties and Indiana appear to be continuing this low-density pattern, rather than composing modestly more compact patterns. While Cornerstone 2020, the new comprehensive plan for the core county, makes major strides in the right direction, ongoing land-use and development patterns underscore the need for much more coordination in transportation, infrastructure, and land-use decisions across the region.