

The Urbanophile Interview: Louisville Mayor Greg Fischer

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Aaron M. Renn: Hello. I'm Aaron Renn of the Urbanophile, www.urbanophile.com. I'm pleased to be here today with Mayor Greg Fischer of Louisville, Kentucky. Thank you very much for taking some time, Mr. Mayor.

Mayor Greg Fischer: Aaron, good to be with you.

Renn: For those who don't know, first just a couple of basic facts about Louisville. It was founded in 1778 by George Rogers Clark. It's the largest city in the state of Kentucky. There's a bit over 605,000 people in the city itself but because of the merger, it's a combined city county government so the mayor has a leading role in all 750,000 people in Jefferson County. It's the heart of the 1.25 million person Louisville metro area which is the 43rd largest in the country. Locals call it Kentuckiana because it spans both Kentucky and Indiana.

Louisville is famously home to Churchill Downs and the Kentucky Derby along with Louisville Slugger bats. It's the corporate headquarters of Brown-Forman Distillers, Humana, Yum! Brands and many other corporations, also the home of UPS' largest air-sorting hub and the UPS airline. Although hardly the most notable person from Louisville, I'll mention that I was born there and grew up across the river.

Mayor Fischer is a Democrat, elected to office in 2010, so still in his first term. He is running for re-election. Not a career politician, though. Prior to getting the political bug, you were an inventor, an award-winning entrepreneur, businessman, and investor - and very successful in those endeavors - so you bring a business perspective to your role as mayor there.

We could do an entire interview on your business career, but we're here to talk about Louisville. So, thanks again for joining me. I gave some the basic facts but, for those who don't know Louisville well, what would be the elevator pitch or speech you would say to introduce people to this place?

Fischer: Well clearly, we're a city on the move. We got a lot of great momentum right now but from a culture standpoint, I think we blend Southern hospitality with Midwestern sensibility. So it's an easy place to live in terms of people being friendly, approachable, compassionate, which we find is a big value here as well. And we're big enough to have everything that any city has but we're small enough to get around as well.

When I talk to my friends on the coast, I say, "To be fully human, you have to live in a medium-sized city like Louisville so you can get out of the rat race, and who wants to be a rat?" So, you can come to a city like Louisville, enjoy great open spaces, get anywhere you want to in 20, 25 minutes, great parks, great food, great quality of life and good cost of living - we're right under the national average as well - so you can raise a family here. You can be a great entrepreneur here and enjoy yourself as a human being.

Renn: All right. You mentioned the Southern and the Midwestern and I guess identity is like a big question people are always asking. Is Louisville a southern city? Is it a Midwestern city? How do you explain the place culturally for people who don't really place it in a region?

Fischer: Yes, right. We're kind of distinctly Louisville. We don't need to be like anybody else. So we have a common sense work ethic. We like to get things done and approach them in a sensible manner. But at the same time, values like hospitality and compassion are important to us here, how we treat each other, how we get along with each other, how we welcome strangers to the community. At the same time, we want people to like our quality of place, if you will, and we're just honored to have people come visit us.

At the same time, we're a city on the move that's creating opportunities. We're becoming an increasingly international city as well. Almost half of our population growth is coming from people outside of the country as we are deliberately trying to grow ourselves as a global city and a city of innovation at the same time.

People all over the world are moving to cities right now. You see that especially outside of the United States, but the same thing is happening in the state like Kentucky which people think is a rural state. There's now about 60% of Kentuckians that live in metropolitan areas. As the spark plug or the economic engine of the state of Kentucky, we got a lot of benefit of people moving to our community right now. And winning cities in the 21st century are going to be cities of innovation, so we're focused on that both in terms of our commerce and our arts and our non-profits.

Renn: When I think of Louisville and I think of Kentucky, here are five things that come to mind. I think of Louisville Slugger Bats. I think of the Kentucky Derby, which you can think of as gambling. I think of bourbon, which you can think of drinking. I think of tobacco, smoking. I think of Kentucky Fried Chicken, kind of fast food. I think of, not a Louisville thing but a Kentucky thing, I can think of coal.

So, I think a lot of the things that maybe, the reputation of the city is for, maybe, they're more like vices or a little unhealthy. On the other hand, they could be a lot of fun, too. I'm quite the bourbon fan myself. I know you're really embracing the bourbon but, how does some of those traditional things you're known for fit into the future and how you see the city relating to those just quick things people think of from the outside?

Fischer: Now, usually people add beautiful women to the descriptors, too, Aaron. So let's round that out. But it's interesting to see the kind of recognition we're getting as a city in the last couple of years. We were the fourth fastest growing regional economy in 2012. We've regained all the jobs we lost during the recession. Zagat names us one of the eight foodiest cities in the world. We're named an international model city of compassion. Then, Gentlemen's Quarterly Magazine names us one of the manliest cities in America, okay?

So we are in an interesting state of evolution, if you would. Some of those words that you just used were more of a 20th-century brand of a city which every city has. And like great, medium-size cities around the world right now, we're evolving to a city of innovation. We embrace some of our uniqueness. Look, any mayor wants to have a city that's authentic so when people visit, they say, "Wow, that exceeded my expectations. I want to come back and visit."

Typically, people's reaction about that comes from one, Louisvillians that they interface with in terms of people being so hospitable here. From the east coast, they're kind of nervous about it. People are so nice here. They say, "What's with these people?" You know that's just who we

are. But then you see people then like our culture, like our food scene. We're one of the foodiest cities in the country. Our locavore movement is really second to none right now. Our bourbon industry, which bourbon is a food group here—we embrace that—is growing faster than any spirits category in the world. So we have a new type of tourist that's coming to town that will come for two or three nights and go on the Bourbon Trail that will be approaching a million visitors. Like Napa Valley is to wine, our Bourbon Trail is to bourbon.

And so they experience the beautiful rural part in Kentucky between Louisville and Lexington and appreciate what it is that we have to offer. Our built environment here is very unique. People comment on our architecture. Increasingly, education—we're on the move. We have more college-educated people here than the average American. We have our authenticity that we embrace as we move into the future and excited about where we're at.

Renn: I can vouch for the food scene because I just moved back to the Midwest from Providence and they brag about their food. Providence has great food but I think Louisville's food is actually even better.

Fischer: Sure.

Renn: It really is good food here.

Fischer: It's been an interesting way to see how the rural parts of the state and the metropolitan areas really appreciate the partnership that we have with our local food movement. Like many places around the country but particularly here, when you go into restaurants, you'll see the origin of the food in terms of the farmers that they came from. We were the first city in the world that we know of to do a demand analysis for local food, how much local food do people want to consume here. We did that deliberately to help our partners in the rural areas of the state, the farmers, so that they can understand that they've got a big, growing market in the biggest city in Kentucky.

When we did this survey, no matter what somebody's socio-economic background was, everybody supported local food. They said, a), it's healthier and b), we want to help local businesses. So, it kind of busted this myth that local food, farmers markets, all this was just yuppie kind of thing. Everybody appreciates good local food.

Renn: I want to circle back to the Derby for a minute because that's right around the corner, coming up fast. Traditionally, that's been the one thing that really gave Louisville true global brand recognition that a lot of cities didn't have, that kind of a premier event. But how central is the Derby to Louisville's identity and its brand today?

Fischer: Well, it's really important, especially in that time of the year. The Derby gets larger every year. It's an international phenomenon. It's on almost everybody's bucket list. I become very popular this time of the year. People I didn't really know that well, they call me up looking for Derby tickets.

Renn: Now you know why I'm here.

Fischer: Yes, that's right.

Renn: We'll talk about that later.

Fischer: But look, here's what the Derby is. Number one, it is the right of spring for the entire country. It is the world's largest fashion show. And what's unique about it is that there's about equal number of women and men in attendance so that's very unusual for a sporting event. You see all the hats and all the pageantry that's coming out around springtime. Lastly, I just think it's a celebration of humanity, of people coming together from all over the world saying, "Look at us having a big time together and supporting each other." This is what we're supposed to be as a globe that comes together. It's important to us, not just from an economic development standpoint, but for the people that brings to town and the business that comes up after that, as well. It's a great time to be a mayor during the Kentucky Derby. I tell you that.

Renn: Right. I've only been there in my younger days in the infield. It's quite a different kind of pageantry.

Fischer: [laughter].

Renn: But I see it on TV, the Millionaires Row and all that. You couldn't ask for a better image of the city.

Fischer: Well, everybody can go to the Derby, right? It's somebody that might be the pinnacle of their social experience throughout their life or it could be the Saudi billionaire that has a stable of horses that are unrivalled in the world. And everybody can win the Derby, too. If you have a lot of money, it doesn't mean you're going to win the Derby. It could be a group of guys that drive here in a school bus from New York. It's what happened with Funny Cide one year and those guys won the Derby. Then you've got billionaires that have been trying to win it for decades and decades without having gotten close. So, it's democracy in action. That's the Kentucky Derby.

Renn: The Derby's long had a Louisville kind of on a global stage but so much we read with China and all the different stuff that goes on economically, globalization is really almost the premier economic force in the world today. What does globalization mean to Louisville?

Fischer: It's central to who we are as a city. We have a very high export ratio here. We out export, we punch above our weight if you will, as a city. My background is one as an international business guy and we've spent a lot of time growing a broader regional economy. The city of Lexington and Louisville have a joint economic development plan that we did with the Brookings Institution called BEAM, Bluegrass Economic Advancement Movement. And a central thrust of that is growing exports throughout the region. We have people that go out and help businesses understand that's the way of the future.

If you have a company that's competing against you that's from outside of USA and you're not international, I tell people, you'll probably be out of business in five or ten years. In today's world, if you're not global and if you're not digital, you're not relevant. That's on the business side. Then, from growing our kids in the community, we raise them to be international citizens.

That's why we embrace internationals in our city. The international can be everybody from a refugee with a PhD. It's a very broad definition. We ask our internationals here to invite their

families and friends to come and start their new lives here in our country because I believe any great city in the future is going to be a global city.

Renn: I agree completely and it's really changed everything. You have to be global in almost everything now if you're going to get anything, any hope of surviving.

Fischer: It's easy to do, right? You just turn on your computer, your personal device and you're halfway around the world in a tenth of a second. Does your mind operate that way? Do you see that is your potential as an individual or as a company as well? In particular, it's important that we raise future generations so that they can understand that's the way the world is today. At one hand, it's very scary to some people, but on the other hand and the way we've embraced the city, it's an exciting frontier for us where more people are aware of Louisville today than they were 20 years ago because of the power of the web and the power of exports as well.

We see this as strategic advantage for a city like us that's in the heartland of the country where we say, "We want to be a great, global city in the heartland of America." When immigrants come and live in a city like Louisville, they say, "Wow, I can have a true life here." It's tough being an immigrant in an LA or in New York and just trying to survive. You can come to a city like ours. Start your business—it's much easier—or you get a job here easier as well and have a decent life.

Renn: You mentioned the partnership with Lexington. That was definitely one I wanted to ask you about because that's pretty unique. Lexington's the second largest city in the state of Kentucky. To some extent, a little bit of a traditional rival of Louisville in a lot of ways. It's probably probably about 70 to 80 miles away down the highway. What made the two of you decide that you needed to team up? What are you hoping to accomplish through that that you couldn't have accomplished on your own?

Fischer: Well, as a business guy, I've been more of a small, medium sized business person, 500 employees and below, so frequently I would compete with large, multinational corporations. When you start your career, you're like, "My gosh, how can I compete against this firm that's got manufacturing plants or offices all over the world and 10,000 employees?" What you find is as a small company, you have a lot of advantages that the big company doesn't have. You're closer to the customer. You're nimbler. You can speak for the company.

So when you take a look at the challenges of a state like Kentucky, we're not one of the biggest states. We're certainly not one of the smallest, either. So what we've got to do is be excellent at partnering with each other internal to the state so that we can use that as a competitive advantage when we compete with other countries or other states for economic development. Louisville and Lexington combined metro region, including Southern Indiana, is about two and a half million people or so, more scale than just us at 1.3 million and certainly, more scale than just Lexington.

So, when international investments are being made, I want them to think about the Bluegrass Region. If they're not going to locate in Louisville, I want them to locate in Lexington so it grows the pie. Jim Gray who was elected mayor of Lexington the same time I was at Louisville, we knew each other beforehand. We were both entrepreneurs. So this idea of partnership and growing the pie instead of stealing each other's pies is something that came very naturally to us.

We started our relationship on this about two years ago. We focused first on advanced manufacturing because there are 100,000 advanced manufacturing jobs between the two cities. We have two Ford plants, a General Electric plant here. He's got a Toyota plant, a Lexmark plant in Lexington. So it's important to solidify and grow those businesses because those are good middle-income jobs as well. So, we started with that. We branched off into exports as well. Now, we're working on talent development. Our two governments benchmark each other as well so, it's been a very fruitful relationship.

Renn: You recently spoke over in Southern Indiana where you talked about regionalism across the border, which is something that hasn't always played as well here. I think there's been some kind of incentives from state level back and forth to get companies to move back and forth across the river. How do you see Southern Indiana playing in to the metro Louisville future and how do you see the cooperation evolving there?

Fischer: Fortunately, that economic develop cooperation has been very strong over the last decade or so. We got an unwritten rule that we don't poach each other's businesses. We're in fact Sy. So when people move to Southern Indiana, they identify as moving to the Louisville area, typically. Our restaurants over here, our housing options over here are complementary to what's in southern Indiana so if a company is going to say, "Okay. I'm going to be in Southern Indiana or I'm going be in Missouri," I want them in Southern Indiana.

Southern Indiana's got some advantages that we don't have. We don't have that much open land left in Jefferson County. River Ridge, which is just opening across the river, is going to be helped by these bridges going in right now, these megaprojects, the Ohio River Bridges Project. It will be where a lot of these businesses are going to locate. I'd rather they locate there again than in some other state. So we win as a region because people live regionally. We're happy to cooperate and brainstorm with Southern Indiana.

Renn: You mentioned Louisville's kind of traditional heritage - Kentucky's - as a rural state. You don't think of urban areas when you think of Kentucky. [Louisville] is the largest city in the state but Kentucky is kind of a rural-dominated state. There are a lot of impoverished areas particularly in the east. Louisville's on the edge of the state. It's not the state capital. There's kind of traditionally been some tensions. I know U of L [the University of Louisville] has really documented the staggering amounts of tax revenue that Jefferson County sends to Frankfort every year that it never gets back. I'm curious. How is the relationship? How do you characterize the relationship with the state of Kentucky? It's always traditionally city-rural splits in every state. Where's it been? Where is it now? Where do you see it evolving in the future?

Fischer: Evolving is the right term. Louisville produces about \$2.4 billion a year of taxes and we get back \$1.2 billion. Kentucky has been cited as the fourth most centrally controlled economy in the country in terms of states. In other words, sending taxes to our capital and redistributing them throughout the state. So it's a challenge for us. I'm working right now to get the state constitution changed so that all cities and counties have the right to levy a local option sales tax where their citizens have the right to vote on specific capital projects, paid for in a specific way with that temporary sales tax sunseting. Part of that is so local cities, whether it's Louisville or Pikeville or anywhere in the state, could have more specific control over their built environment. So, that's one way to address it.

Long term, we need some type of overall state tax reform. But in any state, you're going to have an economic engine like we are here in Kentucky that contributes more to the balance of the state than what it is they generate. Our rural legislators are very good at teamwork, if you will, and our metropolitan legislators are not so good at teamwork. So they can be our own worst enemy in terms of directing more funds back to where they were originally generated - in this case, Louisville. We're working with the legislature both for win-win solutions like the local option throughout the state, but then also with our local legislators, metropolitan legislators so that we can agree on a few specifics and go to Frankfurt and advocate just for those who use the power of numbers that we have.

Renn: Now traditionally Louisville has been a blue-collar city, thinking back to the 70s. You know, GE Appliance Park with 50,000 people or something crazy like that in its peak, Ford's, all these companies. And because of the heritage, it wasn't quite at the college degree attainment rate as some other places. Since 2000, Louisville's metropolitan college degree share had gone up by five percentage points which is better than a lot of other places have done. There's been a lot of growth in college degrees here. What do you think has changed in the city that's made it more attractive to people with degrees?

Fischer: Well, the national average for a city, with adults, is to have 39% of the population with college degrees. We're at 42% right now and on the pathway of 50%. We've created tremendous awareness in the community over the value of a degree, whether it be a two-year or four-year degree. When you take a look at the country right now, unemployment is not so much the problem as education is the problem. Unemployment if you have a college degree right now, is 3.1%. So this is the real issue of our time. It's getting relevant education, whether it's two- or four-year degree, masters, PhD or just a technical certificate for that matter.

So, our 55,000 degree program has been an explicit program to develop awareness in the community over the importance of education, and the correlation between opportunity, income, quality of life and education. The goal is to create 55,000 more college degrees in the community than what we normally would have by the year 2020. That is a multipronged program from a) awareness at the high school level, and better college and career readiness coming out of the high school level. Two would be getting adults that have some college education to complete their degrees. We have 90,000 adults in the Louisville area with some college that haven't finished their degree. Third would be imports, bringing people in to the community that already have these degrees so we can increase our overall IQ, if you will, as a community. We've made great progress on that. I expect that we'll continue to do so.

Renn: On the imports, there's tremendous competition because everybody and their brother says, "We need to get more people with degrees here." If you're a new college grad, Millennial coming out of college, 2014 you're going to graduate, what's your pitch on them coming to Louisville versus Cincinnati or say, Nashville? What's the Louisville advantage for a new talent to come here, move here, start a career here?

Fischer: One, you want to take a look at the culture of the city. Are you going to be able to fit in? Are you going to be able to make a difference? You know, not every city is perfect for every student. So, is there a connection? Do you like our art scene? Do you like our local food scene here? What about the innovation we're doing with the makerspace, for instance? Because I think we're among the best in the country in that regard.

Take a look at the economic development clusters that are important to a city. In our case, are you into lifelong wellness and aging care, or food and beverage, or logistics and e-commerce, or business services, advanced manufacturing? Where is that fit for you? I can guarantee if you're going to live here, you're going to have a good quality of life and enjoy yourself, but are you going to be able to be employed in a meaningful way?

Any city that says they're everything for everybody is being disingenuous. It's just like a company. When you look at the city, find a place whose values mirror yours and whose opportunities mirror your interests at the same time. Make sure it's got a beautiful, natural environment like we have here that's full of nice people, and then you'll have a good place to live - and it would be nice if it was Louisville.

Renn: You came from a business background. What made you decide to get into politics and run for mayor?

Fischer: I view this more as public service. That might sound a little hokey but I think as Americans, we've got a private life, you've got your professional life, and then you have a public life that should be about citizenship. I've always done a lot of public service throughout my life in volunteerism, so being the mayor is an uber-form of public service. I was intrigued from a business perspective to see, "Can you take these large budgets that government has and orient those services in a way that maximizes the potential of human beings?"

To me, the city government is a platform for people to see their potential flourish. How you organize the priorities of a city, how you organize that work, how you create aspirational goals for a city, and motivate people to achieve those is a great journey that a city can go on. I've always enjoyed that in my private life and I've seen people rise to the occasion and be more than what they could ever be in those companies. That same kind of journey takes place in the city as well. So, if you like people and you like helping people and creating opportunity, there is no better job than being the mayor. It's an honor to have a job like this and you can create great opportunities all day long. It's a lot of fun. It's good energy.

Renn: Aspirational goals—what's your ambition for Louisville?

Fischer: Well, to be seen as a great entrepreneurial city, to be seen as a great compassionate city, a city of lifelong learning, a healthy city. Our three big values for the city are 1) lifelong learning and innovation, so people are always learning, 2) a healthy city, physically, emotionally, environmentally and spiritually healthy and then 3) compassionate, an even more compassionate city.

So, if you could live in a city where opportunities are being created all the time, people are leaning all the time, people are healthy in all manifestations of health, and people are compassionate and kind to each other—to me, that's a great city to live in and that's the type of city we have here in Louisville.

Renn: Two quick things and I'm done. Your predecessor Jerry Abramson served five terms as mayor. There was kind of a gap in the middle there, but people called him the mayor for life. He was mayor when I was in high school. He was around a long time and dominated the Louisville political scene. What's it like succeeding someone like that who's kind of a legend or who

dominated the political life of the city so much in coming in and trying to put your own stamp on it?

Fischer: Well, Mayor Abramson has been a great public servant. He spent most of his life being a public servant so he's done a great job. He and I come from really different places. I'm an entrepreneur and business person, and so I'm sort of coming in and putting our own stamp on the way the future is moving. You come in with your own plan and your own team and you start executing, and then results take care of themselves.

So, I feel when we came in, we had a good city government. Now, our job is making it a great city government. It's been a good teamwork and good government here in the city for multiple decades now. I'm thankful we had a good foundation to build on as we try to move it forward from there. It's been a good natural transition and people like what we're doing right now. I think we're going to be further delighted by the opportunities we have in front of us.

Renn: You're only wrapping up your first term, so may be a little early to ask this question but, what would you like your legacy to be as mayor?

Fischer: It goes back to those values I talked about. The biggest one is I want everybody in the city to think entrepreneurially. How we are going to win? Let's play to win. Let's create opportunities. You're a city that's always looking at ways to grow—because if you're not growing, you're not creating opportunities. If you don't create opportunities, good people leave - or your kids might want to leave. If you want them here and they want to be here, there should be opportunities. So, that would be one. That it would be to be a great entrepreneurial city. Great cities in the future, too, they are going to be healthy cities like I talked about earlier, so people have good quality of life and long quality of life. The compassion element is part of that as well.

Elected officials and leaders of any type have a real opportunity to talk about secular ethics, good-old fashioned things that our moms taught all these when we were growing up about kindness and compassion and generosity. Too often, those values get lost in the civic discourse that we see, especially the federal level and the state level as well. The mayor's job and the mayor's office is where the rubber meets the road. Not only do you have to take care of efficiently running a city, you can also elevate the discourse where people can appreciate each other more as human beings and work together to achieve something greater than they would by themselves. At the end of the day, if we can pull that off, I'll be a happy guy.

Renn: Mayor Fischer, thank you very much.

Fischer: Okay, Aaron. Thank you.