The Effect on Commercial Real Estate from Sports-Related Developments in Downtown Louisville, Kentucky

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Weston Sports and Entertainment
Cleveland, Ohio
Louisville, Kentucky

- Incorporated in 1780

- Important river boat hub in the early 19th century

- Important manufacturing role during World War II
1950-1980: Urban Decline

- Churchill Downs, Inc.
- Kentucky State Fairgrounds

- Three Interstate highways built through city
- Population peaks in 1960 (390,639)
- Urban Flight

- Kentucky International Convention Center constructed
- 8% population decrease from 1960-70

- Urban Flight = Urban Blight
- 18% population decrease from 1970-80
1980s-1990s: University of Louisville Sports Championships

- Men’s Basketball Final Four
- Men’s Basketball National Champions
- Competition Cheerleading Squad National Champions
1980s-1990s: University of Louisville Sports

• UL launches $150 million expansion to its sports facilities

• UL’s Papa John’s Stadium opens (42,000 seats)

• Louisville Slugger Ballpark opens (Louisville Bats)
1980s-1990s: Institutional and Healthcare Growth

Major healthcare related industries include:

- Humana (Fortune 100)
- PharMerica (Fortune 1000)
- SHPS

Major healthcare providers include:

- Kindred Healthcare (Fortune 500)
- Norton Healthcare
- Jewish Hospital and St. Mary's Healthcare
- University of Louisville Healthcare

Weston opens Louisville office with 2 million SF acquisition
Louisville Slugger Field

- Opened in 2000
- $40 million project budget
- Louisville Bats home field
- Cincinnati Reds’ AAA Affiliate

(Referendum passed to form a consolidated metropolitan government in 2000)
**UPS Worldport**

- UPS’s $2 billion international air hub
- $1 billion in 2002; $1 billion in 2006
- Facility is the size of 80 football fields
City of Louisville and Jefferson County consolidate operations

- Metro-area increases from 60 square miles to 386 square miles
- Combined population exceeding 700,000
- Median income rises from $28,843 to $39,457 (2000 Census)
Fourth Street Live!

- Phase I $75 million project opened in 2004
- Urban retail, nightlife, and dining destination
- Concerts and special events
- Ability to close off vehicle traffic for unique pedestrian experience
Muhammad Ali Center

• Opened in 2005
• Museum and cultural center; 40,000 square foot amphitheater
• $80 million project
New Downtown Arena Groundbreaking

- University of Louisville Cardinals Basketball
- Site selection battle
- Weston Sports & Entertainment served as Project Manager
KFC Yum! Center Opens

- UL Cardinals Basketball
- Seating for 22,000
- $397,000,000 budget
- Key component of downtown riverfront redevelopment
2010 and Beyond: Significant Downtown Development
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Louisville Slugger Field
$40 million
Completed 2000
2010 and Beyond: Significant Downtown Development

KFC Yum! Center
$400 million
Completed 2010
Fleur-de-Lis on Main
$30 million mixed use condominium, office, and retail development
Completed 2009
First Jefferson Centre
$1.3 million office rehabilitation
Completed 2009
2010 and Beyond: Significant Downtown Development

Galt House/Arena Pedway
$20 million in hotel improvements and connectivity
Completed 2010
2010 and Beyond: Significant Downtown Development

Waterfront Plaza Garage
$16 million
Completed 2010
2010 and Beyond: Significant Downtown Development

KFC Yum! Center Garage
$32 million
Completed 2010
2010 and Beyond: Significant Downtown Development

2nd Street Bridge Streetscape and Connectivity

$3 million
Completed 2011
2010 and Beyond: Significant Downtown Development

Bluegrass Brewing Co. (BBC)
$2 million restaurant and nightlife establishment
Completed 2011
2010 and Beyond: Significant Downtown Development

Patrick O’Shea’s
$3.5 million restaurant and nightlife establishment
Completed 2011
2010 and Beyond: Significant Downtown Development

Ice House Lofts
$10 million residential adaptive reuse
Completed 2011
2010 and Beyond: Significant Downtown Development

**Indatus**

$5 million office conversion for new corporate HQ (relocated from Indiana)

Completed 2011
Whiskey Row Lofts
$20 million residential adaptive reuse
Project under construction
2010 and Beyond: Significant Downtown Development

Falls City Lofts
$2.5 million residential adaptive reuse
Project underway
2010 and Beyond: Significant Downtown Development

Nucleus
$20 million Phase I under construction;
$2.5 billion in future development announced in 2010
2010 and Beyond: Significant Downtown Development

Center City District
$250 million mixed use development/lifestyle center
Project announced in 2010
2010 and Beyond: Significant Downtown Development

East Main Office Towers
$150 million
Project announced
2010 and Beyond: Significant Downtown Development

Notable Additional Downtown Louisville Development Activity
Satellite Development Activity (green) represents additional $284 million
2000s and Beyond: Downtown Revival

- Louisville Slugger Field (2000) and KFC Yum! Center (2010) create destinations
- 11% increase in downtown employment in 2000s
- Entertainment and nightlife venues come downtown
- Rapid growth of downtown residential options, both for rent and for purchase
- 40% growth in downtown retail sales
- Louisville Downtown Development Corp. estimates $250-300 million in private sector economic development spurred by Arena Development (2010 Case Study)

- Adjacent projects previously identified represent nearly $600 million in development that has been completed, underway, or planned since KFC Yum! Center’s construction.

- An additional $284 million in notable satellite development activity downtown has been completed, underway, or planned
Total Paid Workforce in the Louisville CBD

Annual Payroll in zip code 40202 (downtown Louisville)
http://censtats.census.gov
• NACDA Director’s Cup rankings improved from 174th in 1999-2000 to 32nd in 2011-12

• 9 appearances in Men’s Basketball Final Four between 1959 and 2012

• 15 Cheerleading championships between 1985 and 2011
Questions?