Economic Development & Jobs

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ECONOMIC DEVELOPMENT & JOBS (EMPLOYEE BILL OF RIGHTS)

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EXECUTIVE SUMMARY

Louisville's economy faces a critical challenge: we're creating jobs, but too many pay poverty wages, lack benefits, and offer no path to the middle class. Meanwhile, we give tax abatements to attract companies that promise many jobs but deliver far fewer—or provide low-wage positions that leave workers needing public assistance to survive.

I believe **economic development should serve working people, not just corporations**. A strong economy is measured not by how many billionaires we have, but by whether working families can afford housing, healthcare, and a decent life. Louisville needs an economic development strategy that creates good jobs, supports small businesses and worker cooperatives, requires accountability from corporations receiving public dollars, and ensures every worker is treated with dignity.

The Challenge

Louisville's economic development crisis shows up in stark numbers:

1. **Poverty Wages Widespread:** Too many Louisville workers earn poverty wages, and pay has not kept up with the cost of living.

2. **Tax Abatements Without Accountability:** Louisville grants property tax abatements to corporations. Companies routinely fail to create promised jobs—but keep the tax breaks anyway.

3. **Worker Exploitation Common:** Wage theft takes money out of Louisville workers' paychecks. Workers fired for organizing unions. Unsafe working conditions kill and injure workers. Employers misclassify workers as "independent contractors" to avoid paying benefits.

4. **Small Business Struggle:** Small businesses struggle to access capital, compete with big box stores, and afford commercial rent in gentrifying areas.

5. **Wealth Extraction:** Large corporations extract wealth from Louisville (profits flow to out-of-state shareholders) while local businesses and worker cooperatives keep money circulating locally.

My Vision

I will transform Louisville's economic development from corporate giveaways to community wealth building:

Employee Bill of Rights (no new money — carried in the *Worker Bill of Rights*, $4M annually): A three-right floor — wage-theft enforcement, the right to organize without retaliation, and pay transparency — plus earned sick leave, fair scheduling and workplace safety for Metro's own workforce (*Metro Employee Bill of Rights*). Wages are published annually through the *Kentucky Homeownership Wage Index*, not mandated.

Economic Development Accountability ($5M annually): Require companies receiving tax abatements to create promised jobs at living wages, where state law allows, or repay incentives. Community Benefits Agreements for all major projects. Local hiring requirements.

Small Business & Entrepreneur Support ($7M annually): Access to capital for small businesses, commercial rent stabilization, small business technical assistance, support for local procurement.

Worker Cooperative Development ($5M annually): Seed funding, technical assistance, and preferential procurement for worker-owned cooperatives—businesses where workers share ownership, profits, and decision-making.

Community Wealth Building ($5M annually): Anchor institution partnerships (universities, hospitals hire locally, buy from local businesses), community land trusts for commercial space, local business development.

Budget Impact

This policy requires **$30 million in new annual spending**—funded through reallocation of ineffective tax abatements, clawback enforcement recovering funds from non-compliant companies, economic multiplier effects from local spending, and federal workforce development funding.

All proposals fit within Louisville Metro's $1.13 billion annual operating budget.

How this is funded in the reallocation ledger: $10.23M of this policy's $14M of Metro money is paid for now, inside Economic Development ($8.06M) and KentuckianaWorks ($2.16M), by re-pointing half of what each already spends. The other $3.77M grows with outside money and with jail savings once those savings are proven.

Why This Matters

Worker protections are economic development. When workers earn living wages, they spend money locally—supporting small businesses and creating jobs. When workers are exploited, they need public assistance—costing taxpayers while subsidizing profitable corporations.

Accountability ensures returns on public investment. Taxpayers deserve to know tax abatements create promised jobs. When companies fail to deliver, they should repay incentives—not keep corporate welfare while workers suffer.

Small businesses and cooperatives build community wealth. Local businesses tend to keep more money circulating in the local economy than chain stores. Worker cooperatives give workers a direct stake in the business's success.

Economic justice has to reach every neighborhood. Many Louisville workers earn less than $15 an hour, and poverty is higher in some West Louisville neighborhoods than in the city as a whole. Small businesses struggle to access capital. Economic development must address these disparities—not perpetuate them.

My economic development and jobs agenda will create good jobs, support small businesses and worker cooperatives, hold corporations accountable, and ensure Louisville's economy works for everyone—not just the wealthy.

CURRENT SITUATION: ECONOMY THAT DOESN'T

WORK FOR WORKERS

By the Numbers

Wages & Poverty:
– **Kentucky Homeownership Wage Index:** $43.81/hour (the wage it takes to buy a Kentucky home)
– **Poverty wages:** many Louisville workers earn low wages, and poverty is higher in some West Louisville neighborhoods than citywide

Tax Abatements & Corporate Welfare:
– **Tax Abatements:** property tax breaks to companies in return for job promises
– **Clawbacks:** repayment provisions exist but are seldom used
– **Data Centers:** large tax breaks, few permanent jobs

Worker Exploitation:
– **Wage Theft:** wages owed to workers go unpaid
– **Misclassification:** some workers are labeled “independent contractors” when they should be employees
– **Workplace Injuries:** some go unreported
– **Union Activity:** some workers are fired for organizing, in violation of federal law
– **Paid Sick Leave:** many workers have none

Small Business & Entrepreneurship:
– **Small Businesses:** most Louisville businesses are small businesses
– **Commercial Rents:** rising in gentrifying areas
– **Small Business Closures:** about half of new businesses nationally close within five years (U.S. Bureau of Labor Statistics, Business Employment Dynamics)

Worker Cooperatives:
– **Worker Cooperatives in Louisville:** very few
– **Worker-Owned Businesses:** employ a small number of workers in Louisville

Major Problems

Problem 1: Poverty Wages Forcing Workers onto Public Assistance

Many Louisville workers earn less than $15 an hour. Many work full-time but can’t afford basic necessities.

Reality of poverty wages:

$10/hour job (40 hours/week):
– Annual earnings: $20,800 (before taxes)
– After taxes: ~$18,500

– Rent (illustrative assumption of $1,000/month, not a measured Louisville average) = $12,000/year (about 65% of take-home pay)
– Leaves $6,500 for food, utilities, transportation, healthcare, childcare, everything else
– **Impossible to survive.**

Who earns poverty wages:
– **Retail workers:** Cashiers, stock clerks, sales associates
– **Food service:** Cooks, servers, fast food workers (even with tips, many earn low wages)
– **Healthcare support:** Home health aides, nursing assistants (caring for vulnerable people but paid poverty wages)
– **Childcare workers:** Early childhood educators, who are often paid low wages
– **Janitorial/cleaning:** Building cleaners, housekeepers
– **Security guards:** Protecting property, often paid low wages

Consequences:

Workers need public assistance:
– Many Louisville workers receive Medicaid, SNAP or housing vouchers despite working
– Taxpayers subsidize profitable corporations (some large employers pay poverty wages; workers get public assistance; taxpayers cover the difference)

Health harms:
– Workers skip meals, delay healthcare, live in substandard housing
– Stress of poverty causes chronic health problems (hypertension, diabetes, mental illness)
– Children in low-wage families have worse educational and health outcomes

Economic harm:
– Workers with low incomes spend less locally (no discretionary income)
– Economic multiplier effect reduced (money doesn’t circulate)
– Small businesses struggle (fewer customers with spending power)

Neighborhood inequality:
– Poverty is higher in some West Louisville neighborhoods than in the city as a whole
– Poverty wages perpetuate the wealth gap

Current response inadequate:

- **Federal minimum wage:** $7.25/hour—poverty wage (has not increased since 2009; U.S. Department of Labor)
- **Kentucky minimum wage:** $7.25/hour—same as federal (no state increase; U.S. Department of Labor)
- **Louisville minimum wage:** No local minimum wage (state law prohibits local minimum wage ordinances)
- **Employer responsibility:** Voluntary; most pay lowest legal wage

Result: Hundreds of thousands of workers trapped in poverty despite full-time work. Taxpayers subsidize corporate profits. The wealth gap widens.

Problem 2: Tax Abatements Without Accountability—Corporate Welfare

Louisville grants property tax abatements to corporations claiming they'll create jobs. Companies routinely fail to deliver—but keep the tax breaks anyway.

How tax abatements work:

1. **Company proposes development** (new facility, expansion, relocation)
2. **Company promises to create X jobs** (typically hundreds)
3. **Louisville grants property tax abatement** (a reduction in property taxes for a period of years)
4. **Company builds facility**
5. **Company creates far fewer jobs than promised** (or no jobs)
6. **Louisville rarely enforces clawbacks**—company keeps tax break

The risk with any abatement: a company promises many jobs, receives the tax break, and then creates fewer jobs or lower-paying ones. I will publish the actual numbers, deal by deal, on the Economic Development Dashboard.

Problems with current system:

1. **No verification:** Companies self-report job creation; Louisville rarely audits
2. **Weak requirements:** Job quality standards minimal (no living wage requirement, no benefits requirement)
3. **No local hiring:** Companies can bring all workers from elsewhere
4. **Rarely enforced:** Clawback provisions exist but seldom used (companies have political power)
5. **Opportunity cost:** every tax incentive is public money not available for schools, public safety, infrastructure

Who benefits:

- **Corporations:** Keep profits; avoid taxes; externalize costs
- **Wealthy shareholders:** Benefit from corporate profits
- **Well-connected developers:** Political access enables tax breaks

Who loses:

- **Taxpayers:** Pay for services corporations don't fund (police, fire, roads, schools)
- **Small businesses:** Pay full property taxes while large corporations get breaks

- **Workers:** Promised jobs don't materialize or pay poverty wages
- **Schools:** Lost property tax revenue means less funding for JCPS

Result: Louisville gives away tax revenue with minimal accountability, few good jobs created, and corporations enriched at public expense.

Problem 3: Widespread Worker Exploitation—Wage Theft, Misclassification, Unsafe Conditions

Louisville workers face systematic exploitation:

Wage theft (wages owed to workers that go unpaid):

Forms of wage theft:
1. **Off-the-clock work:** Requiring work before clocking in or after clocking out
2. **Unpaid overtime:** Misclassifying workers as "salaried exempt" to avoid overtime pay
3. **Minimum wage violations:** Paying less than legally required
4. **Tip stealing:** Managers taking servers' tips
5. **Illegal deductions:** Charging workers for uniforms, equipment, "breakage"
6. **Time shaving:** Rounding down hours, deleting time entries

Who experiences wage theft:
– Low-wage workers (retail, food service, construction, janitorial)
– Immigrant workers (fear deportation if they complain)
– Workers in industries with lax enforcement (construction, hospitality, home healthcare)

Example:
– Restaurant worker earns $10/hour, works 50 hours/week
– Should receive overtime (1.5x = $15/hour) for 10 hours = $150/week overtime pay
– Employer misclassifies as "salaried manager" (exempt from overtime)
– Worker loses $150/week = $7,800/year stolen

Current enforcement:
– U.S. Department of Labor: limited staff to inspect workplaces
– Private lawsuits: Workers can sue but need attorneys (expensive, risky)
– Most wage theft unpunished

Worker misclassification:

What it is:
– Employers classify workers as "independent contractors" instead of employees
– Avoids paying: minimum wage, overtime, unemployment insurance, workers' comp, benefits
– Shifts costs to workers: pay own taxes (15.3% self-employment tax, per the IRS), buy own equipment, no benefits

Industries with high misclassification:
– Construction (drywall, roofing, painting)
– Transportation (Uber, Lyft, delivery drivers)
– Home healthcare
– Janitorial services

Harms:
– Workers lose wages, benefits, protections
– Legitimate businesses undercut by companies using misclassification (unfair competition)
– State loses tax revenue

Unsafe working conditions:

- **Workplace injuries and deaths** happen in Louisville every year, and some injuries go unreported
- Industries with highest injury rates: construction, manufacturing, warehousing, healthcare

OSHA (Occupational Safety and Health Administration) enforcement:
– Limited inspection capacity (underfunded, understaffed)
– Fines can be small compared with the cost of fixing hazards
– Workers fear retaliation if they report safety violations

Union busting:

- **Some workers are fired for union activity** (a violation of federal law)
- Some employers hire union-busting consultants
- Tactics: Surveillance, intimidation, captive audience meetings, firing organizers
- Federal law weak; penalties minimal

Result: Workers systematically exploited—wages stolen, misclassified, injured, killed, fired for organizing. Corporations profit. Government fails to enforce.

Problem 4: Small Businesses Struggle While Big Box Stores Get Subsidies

Small businesses face enormous barriers while large corporations receive taxpayer subsidies.

Access to capital crisis: why small businesses get turned down:
– Implicit bias in lending decisions
– “Objective” algorithms trained on biased historical data
– Requirement for personal wealth (collateral)—shuts out owners without family wealth
– Decades of disinvestment (banks underinvest in lower-income neighborhoods)

Consequences:
– Entrepreneurs without family wealth forced to use personal savings, credit cards (high

interest), or forgo expansion
– Businesses undercapitalized; higher failure rates
– Wealth gap perpetuated (business ownership builds wealth)

Commercial rent increases displacing small businesses:

Gentrification kills small businesses:
– Commercial rents have risen in gentrifying areas such as West Louisville and downtown
– Small businesses can't always absorb large rent increases

Who's displaced:
– Long-time neighborhood businesses (barbershops, restaurants, corner stores)
– Businesses serving low-income residents (replaced by boutiques serving newcomers)

Who replaces them:
– Chain stores (corporate-owned; profits leave Louisville)
– Luxury retail (serving affluent newcomers)
– Banks, real estate offices (not community-serving)

Competition from subsidized big box stores:

Walmart, Target, Amazon receive:
– Tax abatements (property tax breaks for building stores)
– TIF (Tax Increment Financing)—future tax revenue diverted to pay for corporate infrastructure
– Infrastructure subsidies (roads, utilities built at taxpayer expense)

Meanwhile, small businesses:
– Pay full property taxes
– Pay for own infrastructure
– Compete with subsidized giants

Result: Unequal playing field; small businesses fail; corporate chains dominate; wealth extracted from Louisville.

Small business failure rates:

- **About half of new business establishments nationally close within 5 years** (U.S. Bureau of Labor Statistics, Business Employment Dynamics); common pressures are lack of capital, competition and high rents

Technical assistance insufficient:

- Louisville Forward provides some support but vastly underfunded

Result: Small businesses struggle and fail while large corporations receive subsidies. Local

wealth-building stymied.

Problem 5: Wealth Extraction—Profits Flow Out of Louisville

Large corporations extract wealth from Louisville: profits flow to out-of-state (or foreign) shareholders; workers paid poverty wages; tax abatements reduce public revenue.

Economic multiplier effect:

Money spent at local business:
– Owner lives locally → spends money locally
– Employees paid living wages → spend locally
– Profits reinvested locally → more jobs, more spending
– **Multiplier effect: more of each dollar stays and circulates locally**

Money spent at corporate chain:
– Profits flow to shareholders (often out-of-state or foreign)
– Employees paid poverty wages → little discretionary spending
– Decisions made elsewhere → no community accountability
– **Multiplier effect: less of each dollar stays locally**

Louisville's wealth extraction problem:

Retail:
– Walmart, Target, Amazon dominate retail
– Profits flow to Arkansas, Minnesota, Washington (shareholders)
– Local retail declining

Banking:
– National banks (PNC, US Bank, Chase) dominate
– Decisions made in Pittsburgh, Minneapolis, New York
– Community banks declining (3 local banks remain)

Real estate:
– Out-of-state investors buying Louisville properties
– Rents increase; maintenance neglected
– Profits extracted

Manufacturing:
– Corporate consolidation; local ownership rare
– Decisions made elsewhere; Louisville plants closed when shareholders prioritize profits

Result:

- Billions in wealth extracted from Louisville annually
- Money that could circulate locally enriches out-of-state shareholders

- Louisville economy weakened; workers impoverished; community power reduced

Alternative: Community wealth building

Worker cooperatives:
– Workers own business; share profits
– Decisions made democratically by workers
– Profits stay local (worker-owners live in Louisville)
– Lower failure rates (workers committed to business success)

Community Development Financial Institutions (CDFIs):
– Mission-driven lenders serving underserved communities
– Keep capital circulating locally
– Support first-time entrepreneurs, small businesses

Anchor institutions (universities, hospitals):
– Large employers, purchasers rooted in Louisville (can't relocate)
– Can commit to local hiring, local procurement
– Build community wealth when partnerships structured well

Louisville lacks strategy for community wealth building:
– No systematic support for worker cooperatives (<10 in Louisville)
– Minimal CDFI capitalization
– Weak anchor institution partnerships
– Economic development focused on attracting outside corporations, not building local ownership

Result: Wealth extraction continues. Louisville economy serves corporate shareholders, not working families.

Why Current System Persists

Five factors maintain the status quo:

1. **Corporate political power:** Large employers lobby for tax breaks, oppose worker protections
2. **Ideology:** "Business-friendly" means "low wages, low taxes, weak regulations"—but actually harms workers and local economy
3. **Class:** Affluent residents benefit from current system; lack urgency for change
4. **Fragmented workers:** Without unions, workers lack collective power to demand better
5. **Short-term thinking:** Politicians prioritize ribbon-cutting (new developments) over long-term community wealth building

Bottom Line: Without major intervention, poverty wages will persist, corporations will continue extracting wealth, small businesses will fail, and Louisville's economy will serve the wealthy at workers' expense.

I will change course.

MY VISION: ECONOMY THAT WORKS FOR WORKING PEOPLE

I believe **economic development should serve working people, not just corporations**. A strong economy is measured by whether working families can afford decent lives—not by stock prices or CEO compensation.

Core Principles

1. **Worker Dignity:** All workers deserve living wages, safe working conditions, and the right to organize without retaliation.

2. **Accountability:** Corporations receiving public dollars must create promised jobs at living wages, where state law allows—or repay incentives.

3. **Community Wealth Building:** Support worker cooperatives, small businesses, and local ownership—keeping wealth circulating in Louisville.

4. **Equity:** Economic development must close the gaps between neighborhoods in wages, business ownership, and wealth.

5. **Stakeholder Economy:** Workers, communities, and small businesses have seats at the table—not just corporate executives.

Everyone here lawfully, all the way in. If you are in Louisville lawfully, I want you working, hiring, building a business and using every city service there is. Metro will run an anonymous local census of the languages Louisville speaks, so services reach people in a language they understand, and offer free language classes. Louisville should celebrate the cultures that make it up, in food, sport and music.

I won't villainize undocumented residents, and Metro won't run programs aimed at them. That

work belongs to churches and community organisations, and Metro won't get in their way. Emergency services (911, fire, EMS) answer anyone who calls.

Goals (4-Year Term)

By 2029, I will achieve:

 Kentucky Homeownership Wage Index published every year — the wage it takes to buy a Kentucky home ($43.81/hour today) — with public recognition for employers who pay it

 Earned sick leave: Metro's own workforce covered by the *Metro Employee Bill of Rights*

 Tax abatement accountability: 100% compliance with job creation promises or clawbacks enforced

 Worker cooperative sector: 50 worker-owned cooperatives employing 2,000+ workers

 Small business growth: 300+ new small businesses; access to capital tripled

 Wage theft eliminated: systematic enforcement

 Community wealth building: $500M in local economic activity from anchor institution partnerships

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DETAILED PROPOSALS

Proposal 1: Employee Bill of Rights

What It Is

The floor set by the *Worker Bill of Rights* — three rights that bind Metro and everyone it pays, and reach every other employer through the tools the city legally holds. Wages are published, not mandated: see the *Kentucky Homeownership Wage Index*.

Three Worker Rights:

Right 1 — Paid what you earned. Wage-theft enforcement through the Labor Standards Office; contract standards for everyone Metro pays; referral and license consequences for the rest. The wage yardstick is the Homeownership Wage Index, published annually and forced on no one.

Sick leave moves to the *Metro Employee Bill of Rights* Right 4 (Metro can grant it directly to its own workforce). Citywide sick-leave ordinances face the same KRS 337 preemption

question as the wage floor and are held pending a ruling or legislative change in Frankfort.

Fair scheduling is proposed for Metro's own workforce in the *Metro Employee Bill of Rights* Right 4; a citywide ordinance is not part of this platform.

Rights 4 and 5 — Wage theft and misclassification. Consolidated into the *Worker Bill of Rights* Right 1: a Labor Standards Office that takes every complaint, investigates, and recovers back pay on Metro-funded work, with contract standards reaching every vendor Metro pays.

Workplace safety enforcement is proposed for Metro's own workforce (heat, cold, and hazard standards; right to refuse unsafe work) in the *Metro Employee Bill of Rights* Right 4; a citywide safety office is not part of this platform.

Rights 7 and 8 — Organizing without retaliation. Consolidated into the *Worker Bill of Rights* Right 2: Louisville Metro is neutral as an employer on organizing in its own workforce; the Labor Standards Office helps private-sector workers file with the NLRB; wage-complaint retaliation on Metro-funded work is a contract violation. (Conditioning Metro contracts/incentives on a private employer's own neutrality was dropped — federal law preempts it, *Chamber of Commerce v. Brown* (2008).)

Rest breaks are proposed for Metro's own workforce under the *Metro Employee Bill of Rights* Right 4.

Kentucky has no state rest-break requirement; this platform does not propose a citywide ordinance for it.

Right 10 — Transparency. Consolidated into the *Worker Bill of Rights* Right 3: a pay range in every Metro job posting, a published equal-pay audit of Metro government, and annual public reporting of Metro pay by classification against the Kentucky Homeownership Wage Index.

Why It Matters

Worker protections are not anti-business—they're pro-economy:

Economic benefits:

Wages are published, not mandated:
– Workers spend raises locally (groceries, rent, local businesses)
– Every employer that reaches the Homeownership Wage Index moves its workers off public assistance and into mortgages; the annual report will count them
– Corporations that recognize the index compete for workers on quality, not just price

Healthier, more productive workforce:
– Paid sick leave reduces disease transmission (workers stay home when sick)
– Predictable schedules reduce stress
– Safe workplaces prevent injuries (lost productivity)

Evidence from other cities:

- **Seattle minimum wage:** food-service pay rose with no significant job loss (Reich, Allegretto & Godoey, UC Berkeley, 2017); a University of Washington study found higher hourly pay but fewer hours for some low-wage workers (Jardim et al., NBER Working Paper 23532, 2017)
- **Paid sick leave:** flu-like illness fell about 11% in the first year after state mandates (Pichler et al., *Journal of Policy Analysis and Management*, 2021); in San Francisco, six of seven employers reported no harm to profitability (Drago & Lovell, Institute for Women's Policy Research, 2011)

Louisville will benefit:
– Stronger local economy
– Reduced poverty and inequality
– Healthier, more stable workforce
– Businesses compete on quality, not exploitation

Budget

Annual Cost: $0 new — carried inside the *Worker Bill of Rights* $4M/year office (Labor Standards Office $1.5M, contractor/vendor standards enforcement $2.15M, the Homeownership Wage Index $0.35M). Version 1.0 of this proposal asked $8M, which included a citywide ordinance, a Workplace Safety Office, and enforcement staffed for 180,000 covered workers; none of that exists in this version. The $2M Workplace Safety Office is not carried forward — if a citywide safety office is still wanted it needs its own costed proposal, not this one.

Funding: none — see the *Worker Bill of Rights* budget for the $4M this document now points to.

Implementation Timeline

See the *Worker Bill of Rights* (Labor Standards Office established Year 1 (2027); contractor/vendor standards written into every new Metro contract and renewal from Year 1) and the *Kentucky Homeownership Wage Index* (published annually beginning Year 1) for effective dates.

Sick leave, fair scheduling, workplace safety and rest breaks for Metro's own workforce are set out in the *Metro Employee Bill of Rights*.

Proposal 2: Economic Development Accountability ($5M Annually)

What It Is

Comprehensive accountability for companies receiving tax abatements and economic

development incentives—ensuring promised jobs are created at living wages, where state law allows, or incentives are repaid.

Five Accountability Measures:

Measure 1: Living Wage & Job Quality Requirements

Current: Companies can receive tax abatements while paying poverty wages, providing no benefits

New: To receive incentives, companies must:
– Pay at least $15/hour, where state law allows, with Homeownership Wage Employer recognition for those who reach the Kentucky Homeownership Wage Index
– Provide health insurance (employer contribution minimum 70%)
– Provide paid sick leave (minimum 7 days annually)
– Create permanent jobs (not temporary/contract positions)
– Hire 60%+ Louisville residents (local hiring requirement)

Exceptions: None (if company can't meet standards, no public subsidy)

Measure 2: Clawback Enforcement & Verification

Current: Companies self-report job creation; Louisville rarely verifies; clawbacks rarely enforced

New system:

Annual verification (not self-reporting):
– Companies submit employment records (W-2s, unemployment insurance filings)
– Third-party auditor verifies job numbers, wages, benefits
– On-site inspections (confirm jobs actually exist)

Automatic clawbacks:
– If company creates <80% of promised jobs → repay proportional incentives
– Example: Promised 100 jobs, created 60 → repay 40% of tax abatements received
– If company pays <$15/hour → repay 100% of incentives
– If company eliminates jobs within 5 years → repay incentives

Enforcement:
– Tax Abatement Compliance Office (new office, 5 staff)
– Legal authority to demand records, conduct audits
– Liens on property for unpaid clawbacks
– Public disclosure (non-compliant companies named on website)

Measure 3: Community Benefits Agreements (CBAs)

What are CBAs:
– Legally binding contracts between developers and community organizations
– Developers receiving public subsidies agree to community benefits (local hiring, affordable housing, living wages, environmental protections)
– Community has enforcement power (can sue for violations)

Louisville requirement:
– All projects receiving >$1M in public subsidies must negotiate CBA with affected communities
– Community representatives (neighborhood associations, unions, community groups) participate in negotiations
– Benefits tailored to community needs

Example benefits:
– Local hiring quotas (50% of workers from affected neighborhoods)
– Living wages where state law allows (at least $15/hour, with Homeownership Wage Employer recognition for those at the index)
– Affordable housing (15% of units in residential developments)
– Environmental protections (emissions limits, green building standards)
– Community space (meeting rooms, parks, childcare facilities)

Enforcement:
– Private right of action (community groups can sue for violations)
– Metro monitors compliance

Measure 4: Transparency & Public Reporting

Current: Tax abatement data scattered, incomplete, inaccessible

New: Public Economic Development Dashboard (online)

Data published:
– All tax abatements granted (company name, amount, promised jobs, wages)
– Annual compliance reports (jobs created, wages paid, benefits provided)
– Clawbacks enforced (companies that didn’t comply, amounts repaid)
– Community Benefits Agreements (all CBAs publicly accessible)

User-friendly:
– Searchable database
– Visual charts (how many jobs created vs. promised, cost per job)
– Downloadable data for journalists, researchers
– Resident alerts (subscribe to updates on developments in your neighborhood)

Accountability:
– Public can see which companies comply vs. fail

– Journalists investigate
– Community groups hold companies accountable

Measure 5: Shift from Property Tax Abatements to Performance-Based Incentives

Problem with property tax abatements:
– Companies get tax breaks upfront (before creating jobs)
– If they fail to deliver, Louisville struggles to recover funds

Better model: Performance-based incentives

How it works:
– No upfront tax abatements
– Companies create jobs at living wages
– After verification, companies receive tax credits (refunds for taxes paid)
– Credits proportional to jobs actually created
– If company eliminates jobs, credits stop

Benefits:
– Public risk reduced (pay only for results)
– Stronger incentive for compliance (companies want tax credits)
– Easier enforcement (withhold future credits if non-compliant)

Phase-in:
– Year 1-2: Apply to new agreements (existing agreements grandfathered)
– Year 3-4: Majority of incentives performance-based

Why It Matters

Accountability ensures public investment serves public good:

Currently:
– Companies receive abatements on job promises, and the public cannot easily see whether the jobs followed
– **The return on that public investment is unknown**

With accountability:
– Companies create promised jobs or repay incentives
– Jobs pay living wages (workers don’t need public assistance)
– Local hiring (Louisville residents benefit)
– Community Benefits Agreements ensure neighborhoods benefit
– **Public investment actually serves public**

Evidence from other cities:

- **Los Angeles CBA (LAX airport expansion):** a community benefits agreement with

local hiring and job training commitments

Budget

Annual Cost: $5 million

Breakdown:
– **Tax Abatement Compliance Office:** $3M
– 5 compliance officers: $500K
– Third-party auditors (contracts): $1M
– Legal support (enforce clawbacks): $1M
– Data systems (tracking, dashboard): $300K
– Office operations: $200K
– **Community Benefits Agreement support:** $1M
– Technical assistance for community groups (legal, planning)
– CBA negotiations facilitation
– Enforcement support
– **Economic Development Dashboard:** $500K (development in Year 1, $200K annually thereafter)
– **Administration:** $500K

Revenue (Clawback Recovery):
– Year 1: $5M recovered from non-compliant companies
– Year 2: $8M recovered
– Year 3: $10M recovered (backlog cleared)
– Year 4: $5M annually (ongoing enforcement)

Net Budget Impact: Revenue-positive by Year 2 (clawback recovery exceeds costs)

Funding Sources:
– Metro general fund: $5M initial investment (Year 1)
– Clawback recovery: $5-10M annually (Years 2-4)—covers costs plus generates surplus

Cost-Benefit:
– Recovered funds reinvested in community (workforce development, small business support)
– Better job creation (companies actually deliver on promises)
– Community benefits (affordable housing, local hiring, living wages)
– Return: $2-4 per $1 invested (improved job creation, recovered funds)

Implementation Timeline

Year 1 (2026):
– January-June: Metro Council passes economic development accountability ordinance
– July: Establish Tax Abatement Compliance Office
– August: Develop Economic Development Dashboard

– September: Hire compliance officers, auditors
– October-December: Audit existing agreements; identify non-compliance

Year 2 (2027):
– January: First clawbacks enforced ($5M recovered)
– March: Economic Development Dashboard launches (public access)
– June: First Community Benefits Agreement negotiated for major development
– Living wage requirement takes effect for all new incentives, where state law allows

Year 3 (2028):
– Performance-based incentives become standard
– $10M in clawbacks recovered (backlog of non-compliance addressed)
– 80% of new developments include CBAs
– Job creation compliance improves to 70%

Year 4 (2029):
– Mature accountability system
– 90% compliance with job creation promises
– $50M in annual economic development spending creating 500+ living-wage jobs
– Cost per job reduced to $35K
– Louisville model for economic development accountability nationally

Proposal 3: Small Business & Entrepreneur Support ($7M Annually)

What It Is

Comprehensive support for small and local businesses through access to capital, commercial rent stabilization, technical assistance, and local procurement preferences.

Four Support Strategies:

Strategy 1: Small Business Loan Fund ($3M Annually)

Problem: Banks turn down entrepreneurs who lack collateral or family wealth

Solution: Louisville Small Business Loan Fund providing loans to underserved entrepreneurs

Loan terms:
– **Amount:** $10,000-$100,000 (typical small business need)
– **Interest rate:** 3-5% (below market rate)
– **Collateral:** Flexible (personal wealth not required)
– **Credit standards:** Holistic review (not just credit score—business plan, community ties, industry experience)

Priority:

– Women-owned businesses
– Businesses in underserved neighborhoods (West Louisville, South End)
– Businesses creating living-wage jobs

Fund size: $3M annually = 50-75 loans annually

Revolving fund:
– Loans repaid → funds re-lent (multiplier effect)
– Over 10 years: $3M annual investment = $50M+ in lending

Technical assistance bundled:
– Business planning support
– Financial management training
– Marketing assistance
– Connection to resources (accountants, lawyers, mentors)

Strategy 2: Commercial Rent Stabilization & Anti-Displacement ($2M Annually)

Problem: Commercial rents rising quickly in gentrifying areas; small businesses displaced

Solutions:

2A: Commercial Rent Stabilization (Gentrifying Areas)
– Limit annual rent increases to 5% or CPI+2% (whichever is lower)
– Applies to commercial spaces in rapidly gentrifying areas (Russell, Smoketown, Portland, NuLu)
– Protects longtime businesses from displacement

2B: Right of First Refusal
– If landlord sells building, existing tenant business has right to purchase at same price as outside offer
– Gives businesses opportunity to own space (build wealth, avoid displacement)

2C: Commercial Space Acquisition Fund
– Louisville Metro acquires commercial buildings in gentrifying areas
– Provides long-term, affordable leases to small businesses
– Ensures permanent affordability (buildings publicly owned)
– $2M annually = 3-5 buildings purchased

2D: Community Land Trust for Commercial Space
– Similar to residential CLT (Land Trust owns land; business owns improvements)
– Businesses lease land at affordable rates
– Permanent affordability even as neighborhood gentrifies

Strategy 3: Small Business Technical Assistance ($1.5M Annually)

Services:

1. **Business Planning:**
2. Help entrepreneurs develop business plans
3. Market research, financial projections
4. Startup requirements, licensing
5. **Financial Management:**
6. Bookkeeping, accounting, taxes
7. Cash flow management
8. Access to capital (loan applications)
9. **Marketing & Sales:**
10. Branding, website development
11. Social media marketing
12. Customer acquisition strategies
13. **Legal Support:**
14. Business structure (LLC, corporation, cooperative)
15. Contracts, leases
16. Employment law compliance
17. **Mentorship:**
18. Pair new entrepreneurs with successful business owners
19. Industry-specific guidance
20. Problem-solving support

Delivery model:
– Small Business Development Center (expand existing UofL SBDC)
– Mobile office hours in neighborhoods
– One-on-one consulting (free)
– Workshops and training

– Online resources

Reach: 1,000 businesses annually

Strategy 4: Local Procurement Preferences ($500K Annually)

Goal: Louisville Metro buys a large amount of goods and services every year—I will direct more of it to small and local businesses

Preferences:

15% Small Business Set-Aside:
– 15% of Metro contracts reserved for businesses <50 employees
– Ensures small businesses can compete

5% Local Business Preference:
– Louisville-based businesses receive 5% price preference in competitive bidding
– Example: Local bid $105K, out-of-state bid $100K → local business wins (5% preference)

Unbundling large contracts:
– Break large contracts into smaller pieces
– Enables small businesses to bid (can't compete for $10M contracts but can handle $500K)

Prompt payment:
– Pay small businesses within 15 days (vs. current 30-60 days)
– Improves cash flow for small businesses

Technical assistance:
– Help small businesses navigate procurement process
– Bid preparation support
– Compliance assistance

Impact:
– $40M additional spending with small businesses annually
– Supports 200+ small businesses

Why It Matters

Small businesses are economic engines:

Job creation:
– Small businesses create a large share of new jobs
– More jobs per dollar invested

Local wealth building:
– Small business owners build wealth through business ownership

– Narrows the wealth gap (business ownership builds family wealth)

Economic multiplier:
– Small businesses tend to keep more money circulating locally than chains do
– Supports other local businesses (accountants, suppliers, etc.)

Community character:
– Neighborhood businesses create sense of place
– Serve community needs (not just profit maximization)

Budget

Annual Cost: $7 million

Breakdown:
– Small Business Loan Fund: $3M (revolving; repayments return to fund)
– Commercial rent stabilization & acquisition: $2M
– Technical assistance: $1.5M
– Local procurement program: $500K (administration)

Funding Sources:
– Metro general fund: $5M
– Federal CDFI Fund (Community Development Financial Institutions): $1M
– Loan repayments (revolving): $1M annually (after Year 3)

Cost-Benefit:
– 300+ new small businesses created over 4 years
– 1,500+ jobs created
– $200M in economic activity from new businesses
– $40M additional local procurement
– Return: $5-8 per $1 invested (local multiplier effect)

Implementation Timeline

Year 1 (2026):
– January-June: Establish Small Business Loan Fund; hire lending staff
– July: First loans issued (15 businesses)
– September: Commercial rent stabilization ordinance passed
– October: Technical assistance program expands (500 businesses served)

Year 2 (2027):
– Loan fund: 50 loans issued (cumulative 65)
– Commercial space acquisition: First 2 buildings purchased
– Technical assistance: 800 businesses served
– Local procurement: $25M with small and local businesses

Year 3 (2028):
– Loan fund: 60 loans issued (cumulative 125); loan repayments begin flowing back
– Commercial space: 4 buildings acquired (cumulative)
– Technical assistance: 1,000 businesses annually
– Local procurement: $35M with small and local businesses

Year 4 (2029):
– Loan fund: 75 loans issued (cumulative 200); self-sustaining with repayments
– Commercial space: 6 buildings acquired (cumulative); 50 small businesses protected from displacement
– Technical assistance: 1,000 businesses annually
– Local procurement: $40M with small and local businesses
– 300+ new businesses created; 1,500+ jobs

Proposal 4: Worker Cooperative Development ($5M Annually)

What It Is

Comprehensive support for worker-owned cooperatives—businesses where workers collectively own and democratically control the enterprise—through seed funding, technical assistance, and preferential procurement.

What are worker cooperatives:

- Workers own the business (shareholding)
- Workers elect board of directors democratically (one worker = one vote, not one share = one vote)
- Profits shared among worker-owners
- Democratic decision-making (wages, working conditions, business strategy)

Benefits:

- **Workers build wealth:** Ownership stake increases in value; profit-sharing
- **Profit-sharing:** Worker-owners share in profits as well as wages
- **Better working conditions:** Workers control workplace; prioritize safety, dignity
- **Committed owners:** Workers who own the business have a direct stake in its success
- **Community wealth:** Profits stay local (worker-owners live in Louisville)
- **Equity:** Addresses the wealth gap (low-wage workers become owners)

Louisville Worker Cooperative Program Components:

Component 1: Seed Funding ($2M Annually)

Startup grants:

– $50,000-$150,000 grants for new worker cooperatives
– Seed capital for equipment, inventory, facilities, operations
– 15-20 new cooperatives annually

Conversion financing:
– $200,000-$500,000 loans for employees buying out retiring owners (converting conventional business to worker cooperative)
– Example: Retiring restaurant owner sells to employees instead of closing or selling to chain
– 5-10 conversions annually

Expansion capital:
– $50,000-$100,000 loans for existing cooperatives expanding
– New locations, equipment, hiring more worker-owners

Component 2: Technical Assistance ($1.5M Annually)

Services:

1. **Cooperative Development:**
2. Feasibility studies (is cooperative model viable for this business?)
3. Business planning tailored to cooperative structure
4. Legal formation (articles of incorporation, bylaws)
5. Governance training (democratic decision-making, board management)
6. **Financial Management:**
7. Accounting systems for cooperatives (profit-sharing, member accounts)
8. Financial projections
9. Tax compliance (cooperatives have unique tax treatment)
10. **Democratic Governance Training:**
11. Board development
12. Member engagement
13. Conflict resolution
14. Decision-making processes
15. **Sector-Specific Support:**

16. Tailored assistance for different industries (restaurants, construction, cleaning services, manufacturing, tech)

Delivery:
– Louisville Worker Cooperative Development Center (new organization)
– 8 staff (coop developers, business advisors, lawyers)
– Partnership with national organizations (US Federation of Worker Cooperatives, Democracy at Work Institute)

Reach: 50 cooperatives annually (new + existing)

Component 3: Preferential Procurement ($1M Annually)

Louisville Metro gives worker cooperatives preference in contracting:

- **10% price preference:** Worker coop bids receive 10% preference
- **Set-asides:** Certain contracts reserved for worker cooperatives
- **Pilot projects:** Metro pilots services with worker coops (janitorial, landscaping, food service)

Example contracts:
– Landscaping/groundskeeping (parks, public buildings)
– Janitorial services (Metro buildings)
– Food service (concessions at parks, community centers)
– Technology services (IT support, web development)
– Home repair/weatherization (energy efficiency program contracts)

Impact:
– Guarantees early customers for new cooperatives (reduces startup risk)
– $5-10M annually in contracts to worker coops (as sector grows)

Component 4: Worker Ownership Education & Organizing ($500K Annually)

Worker buyout organizing:
– Identify businesses where owners are retiring
– Organize employees to pursue buyout
– Connect workers to financing, technical assistance

Union-coop partnerships:
– Collaborate with unions to explore worker ownership
– Example: Unionized factory facing closure → workers buy company, maintain union

Public education:
– Workshops, presentations about worker cooperatives
– Inspire entrepreneurship (especially among workers in low-wage, exploitative jobs)

– Build cooperative culture

Why It Matters

Worker cooperatives address multiple economic challenges:

Wealth building:
– Workers build ownership stakes over a career
– Profit-sharing provides income beyond wages
– Addresses the wealth gap (low-wage workers become owners)

Job quality:
– Wages and profit-sharing decided by the workers who own the business
– Better benefits (workers control benefits decisions)
– Safe, dignified working conditions (workers control workplace)

Business sustainability:
– Workers don’t lay off themselves during downturns (prefer pay cuts to job losses)
– Committed workforce (owners invested in success)

Community wealth:
– Profits circulate locally (worker-owners live in Louisville)
– Democratic decision-making reflects community values
– Resistant to buyouts, closures (workers won’t sell to highest bidder if it harms community)

Evidence:

- **Cleveland Evergreen Cooperatives:** worker-owned laundry, solar and urban agriculture cooperatives
- **Mondragon (Spain):** a large network of worker-owned cooperatives

Louisville potential:

- 10-15 worker cooperatives over 4 years
- 300-500 worker-owners
- $100M annual revenue
- Concentrated in sectors with low-wage exploitation (cleaning, home care, food service, construction)

Budget

Annual Cost: $5 million

Breakdown:
– Seed funding & conversion financing: $2M

– Technical assistance (Worker Cooperative Development Center): $1.5M
– Preferential procurement (contract set-asides, admin): $1M
– Education & organizing: $500K

Funding Sources:
– Metro general fund: $3M
– Federal New Markets Tax Credits: $1M
– CDFI Fund (Community Development Financial Institutions): $500K
– Loan repayments (conversions are loans; repayments return to fund): $500K (after Year 3)

Cost-Benefit:
– 10-15 worker cooperatives created = 300-500 worker-owners
– Higher wages: $5M annually in additional wages (vs. conventional low-wage jobs)
– Local economic multiplier: $300M in local economic activity over 4 years
– Return: $6-10 per $1 invested

Implementation Timeline

Year 1 (2026):
– January-June: Establish Worker Cooperative Development Center; hire staff
– July: First seed funding grants issued (5 new cooperatives)
– September: First conversion financing (2 employee buyouts)
– October: Preferential procurement policy adopted

Year 2 (2027):
– 15 new cooperatives created (cumulative 20)
– 5 conversions (cumulative 7)
– 500 worker-owners (cumulative)
– First Metro contracts awarded to worker coops ($2M)

Year 3 (2028):
– 30 new cooperatives (cumulative)
– 10 conversions (cumulative)
– 1,200 worker-owners (cumulative)
– Metro contracts: $5M annually

Year 4 (2029):
– 50 cooperatives created/converted (cumulative)
– 300-500 worker-owners
– $100M annual revenue from coop sector
– Metro contracts: $8M annually
– Louisville recognized as national worker cooperative hub

Proposal 5: Community Wealth Building & Anchor Institutions

($5M Annually)

What It Is

Strategic partnerships with Louisville's anchor institutions—universities, hospitals, large nonprofits rooted in Louisville—to shift purchasing and hiring to local businesses and Louisville residents.

What are anchor institutions:

- Large employers/purchasers that can't relocate (universities, hospitals, foundations)
- University of Louisville, Bellarmine University, JCPS
- Baptist Health, Norton Healthcare, UofL Health
- Humana (largest private employer in Louisville)

Anchor spending power:
– Procurement (planning assumption, not a measured figure): about $1.5 billion a year in goods, services and construction. The $225M target below is a 15-point shift of that base.

Problem: Most anchor spending flows OUT of Louisville

- National suppliers (office supplies, food service, equipment)
- Out-of-state contractors (construction, IT, consulting)
- Suburban hiring (employees live outside Louisville, spend elsewhere)

Solution: Community Wealth Building Partnerships

Five Partnership Strategies:

Strategy 1: Local Procurement Commitments

Goal: Shift 25% of anchor procurement to Louisville-based businesses (from an assumed starting share of about 10%, not a measured figure)

How:
– Anchor institutions commit to local procurement goals
– Identify opportunities (food, office supplies, cleaning services, IT, construction)
– Connect with local suppliers (matchmaking, vendor fairs)
– Technical assistance for local businesses (help them meet anchor requirements)
– Track and report progress publicly

Impact:
– $1.5B total anchor procurement × 15% shift = $225M additional local spending
– Supports 1,000+ small businesses

– Creates 3,000+ jobs

Strategy 2: Local Supplier Development

Goal: Help small Louisville businesses grow big enough to win the anchor contracts in Strategy 1

How:
– Partnership with Louisville Small Business Loan Fund (help local businesses access capital to scale)
– Supplier development programs (recruit and prepare local vendors)
– Unbundle contracts (enable smaller businesses to bid)
– Long-term contracts (provide stability for small local suppliers)

Impact:
– Counts toward Strategy 1's 25% local procurement goal
– Puts more of the $225M local shift in the hands of small businesses

Strategy 3: Local Hiring Agreements

Goal: 50% of new anchor institution hires are Louisville residents (especially from low-income neighborhoods)

How:
– Anchor institutions commit to local hiring goals
– Partner with Louisville Metro workforce development programs
– Career pathway programs (entry-level → advancement)
– Hire-local initiatives (recruit in West Louisville, South End)
– Support workforce (childcare, transportation assistance)

Impact:
– Planning assumption: anchors hire 10,000+ workers a year (not a measured figure)
– 50% local hiring = 5,000 Louisville residents hired
– Concentrated in neighborhoods with high unemployment

Strategy 4: Homeownership Wage Recognition

Goal: Anchor institutions pursue public recognition under the Kentucky Homeownership Wage Index for their direct and contracted workforce (janitorial, food service) — voluntary, not a condition of partnership.

Current:
– Many hospital, university workers earn below the index (janitors, food service, aides)
– Workers qualify for public assistance despite working for wealthy institutions

How:

– Anchor institutions pursue Homeownership Wage Employer recognition
– Applies to direct employees and contracted workers (janitorial, food service) that opt in
– No mandate, no phase-in deadline

Impact:
– Workers who move above the index need less public assistance — the annual index report will count them
– Reduced public assistance costs (workers earn living wages)

Strategy 5: Community Investment

Anchors invest in community development:

Investments:
– Small Business Loan Fund ($5M from anchor institutions)
– Worker Cooperative Development Fund ($2M)
– Affordable housing development (anchor land, financing)
– Community facilities (health clinics, childcare centers in underserved areas)

Impact:
– $10-15M in anchor community investment annually
– Multiplies public investment

Why It Matters

Anchor institutions have enormous economic power—currently underutilized for community benefit:

Current extraction model:
– Anchors spend billions
– Most spending flows out of Louisville
– Workers paid poverty wages (qualify for public assistance)
– Minimal community investment

Community wealth building model:
– Anchors shift procurement to local businesses
– Hire Louisville residents at living wages
– Invest in community development
– Build local wealth, reduce inequality

Evidence:

- **Preston’s Model (UK):** Anchors in Preston shifted procurement toward local suppliers

Louisville potential:

- $225M additional local procurement
- 5,000 Louisville residents hired annually
- 10,000+ workers earning living wages
- $300M+ in local economic multiplier effects

Budget

Annual Cost: $5 million (Metro investment to coordinate, support partnerships)

Breakdown:
– **Anchor Partnership Coordinator:** $1M
– 5 staff coordinating with anchor institutions
– Matchmaking (connect anchors with local businesses)
– Data tracking, reporting
– **Small business capacity building:** $2M
– Help local businesses scale to meet anchor demand
– Technical assistance, capital access
– **Workforce development:** $1.5M
– Training programs aligned with anchor hiring needs
– Job placement support
– Wraparound services (childcare, transportation)
– **Community investment coordination:** $500K

Leveraged Investment:
– Metro $5M investment leverages $225M anchor procurement shift
– Plus $10-15M in anchor community investment
– 45:1 leverage ratio

Funding Sources:
– Metro general fund: $3M
– Anchor institution contributions: $1M (partnerships are mutual benefit)
– Federal workforce development grants: $1M

Cost-Benefit:
– $225M in local procurement
– 5,000 jobs created

Implementation Timeline

Year 1 (2026):
– January-June: Negotiate partnerships with 3 anchor institutions (UofL, Baptist Health, Norton)
– July: Establish Anchor Partnership Coordinator office
– September: First local procurement commitments ($50M)
– October: First local hiring agreements (1,000 Louisville residents hired)

Year 2 (2027):
– Expand partnerships to 6 anchors
– Local procurement: $100M
– Local hiring: 2,500 residents
– Living wage commitments from 3 anchors (5,000 workers receive raises)

Year 3 (2028):
– Expand partnerships to 8 anchors
– Local procurement: $175M
– Local hiring: 4,000 residents

Year 4 (2029):
– Full implementation: 10 anchor partnerships
– Local procurement: $225M
– Local hiring: 5,000 residents annually
– 10,000+ workers at or above the Kentucky Homeownership Wage Index
– Louisville model for anchor institution community wealth building nationally

Proposal 6: Graduate Retention “Stay Louisville” Program ($5M Annually)

What It Is

Louisville will implement a **degree buyback program** to retain college graduates by assuming student loan payments or providing equivalent monthly stipends to graduates who commit to living and working in Louisville for 5-7 years.

Program Structure:

Track A – Loan Assumption (For Borrowers)

- Graduate commits to 5-7 years in Louisville
- Metro assumes student loan payments (up to $500/month or $6,000/year)
- Payments made directly to loan servicer
- After commitment period: loans remain borrower’s responsibility (but significantly reduced)

Track B – Equity Stipend (For Scholarship Students)

- Graduates who attended on scholarships (no loans) receive equivalent monthly stipend
- $500/month deposited to savings/investment account
- Builds wealth for graduates who don’t have loan burden
- Ensures equity—scholarship students not penalized for not having debt

Eligibility:

- Graduated from accredited college/university (any state)
- Associate's, Bachelor's, Master's, or professional degree
- Live in Louisville (primary residence)
- Work in Louisville (minimum 30 hours/week) OR start Louisville-based business
- Income cap: $100,000/year (first 5 years to target early-career)

Commitment Terms:

- **5-year track:** 60% loan forgiveness/stipend accumulation
- **7-year track:** 100% loan forgiveness/stipend accumulation
- **Early departure:** Remaining balance converts to low-interest loan (3%) payable over 10 years

Phased Rollout—Start Small, Prove It Works

Phase 1 (Years 1-2): JCTC + STEM Focus

- **Jefferson Community & Technical College (JCTC) graduates ONLY** initially
- Priority to **STEM degrees:** Engineering, Computer Science, Information Technology, Healthcare Technology, Advanced Manufacturing
- Why JCTC first: Local institution, strong workforce pipeline, measurable outcomes
- Target: 300 participants in Phase 1

Phase 2 (Years 3-4): Expand If Successful

- If Phase 1 demonstrates retention success (75%+ staying 3+ years), expand to:
- **Additional local colleges:** UofL, Bellarmine, Spalding, Sullivan University
- **Additional degree fields:** Healthcare (nursing, allied health), Education, Skilled Trades
- Target: 750 participants

Phase 3 (Year 5+): Full Program

- All accredited degrees from any institution
- All fields contributing to Louisville's workforce
- Target: 1,000+ participants annually

Why This Phased Approach:

- Proves concept with measurable cohort before major investment

- JCTC has strong employer relationships—easier to track outcomes
- STEM graduates have high earning potential—better ROI for city
- Builds political support by demonstrating success before expansion

Why It Matters

Louisville's Brain Drain:

- Louisville loses some of its college graduates to other cities
- Student debt is a burden for many young graduates
- Young professionals cite affordability as key factor in location decisions

Budget

Annual Cost at Scale: $5 million

- Direct loan payments/stipends: $4.5M (750-1,000 participants × $4,500-6,000)
- Administration: $300K (eligibility verification, payment processing)
- Marketing/recruitment: $150K (reach graduates, promote program)
- Evaluation: $50K (track retention, economic impact)

Cost-Benefit Analysis:

- Retained graduates work, spend and pay taxes in Louisville
- Tax revenue from retained workers exceeds program cost within 3-5 years
- Addresses workforce shortages in critical fields (healthcare, tech, manufacturing)
- Builds Louisville's reputation as talent-friendly city

Implementation

Year 1 (2026): Phase 1 Launch

- Launch pilot with **JCTC graduates ONLY**
- **STEM degrees only:** Engineering Tech, Computer Science, IT, Healthcare Tech, Advanced Manufacturing
- Target: 150 participants
- Partner exclusively with JCTC for streamlined tracking
- Budget: $1M (150 × $6,000 average benefit)

Year 2 (2027): Phase 1 Continuation + Evaluation

- Continue JCTC STEM program (300 total participants)

- Track retention rates, employment outcomes, economic impact
- Prepare expansion criteria: Require 75%+ retention at 2-year mark to proceed
- Budget: $2M

Year 3 (2028): Phase 2 Expansion (If Successful)

- IF Phase 1 meets retention targets, expand to:
  - Additional schools: UofL, Bellarmine, Spalding, Sullivan
  - Additional fields: Healthcare, Education, Skilled Trades
- Target: 500 participants (300 continuing + 200 new)
- Budget: $3.5M

Year 4+ (2029+): Phase 3 Full Program (If Continued Success)

- Full scale: 1,000+ participants annually
- All accredited degrees, all contributing fields
- Budget: $5M annually
- Evaluate 5-year outcomes from original cohort

Proposal 7: Small Business Forgivable Loan Program ($3M Annually)

What It Is

Louisville will establish a **forgivable loan program** for local small businesses—providing capital for startups, expansions, and building improvements with loans forgiven over 5 years for businesses that remain in Louisville and meet job creation/retention goals.

Loan Structure:

Tier 1 – Startup Loans ($5,000-25,000)

- New businesses (less than 2 years operating)
- Funds for: Equipment, inventory, buildout, working capital
- Forgiveness: 20% per year for 5 years = 100% forgiven

Tier 2 – Expansion Loans ($25,000-75,000)

- Existing businesses expanding
- Funds for: New locations, equipment, hiring, renovations

- Forgiveness: 20% per year for 5 years = 100% forgiven
- Job creation requirement: 1 job per $25,000 borrowed

Tier 3 – Building Improvement Loans ($10,000-50,000)

- Property improvements, code compliance, accessibility
- Landlord or tenant eligible
- Forgiveness: 20% per year for 5 years = 100% forgiven

Eligibility Screening (Two-Stage Process)

Stage 1: Automatic Disqualification

The following business types are NOT eligible for forgivable loans:

- □ Alcohol sales (bars, liquor stores, breweries) – primary revenue
- □ Tobacco/vape shops
- □ Firearms dealers or manufacturers
- □ Adult entertainment
- □ Gambling establishments (casinos, betting parlors)
- □ Chain/franchise of national corporation
- □ Businesses not in good standing (taxes, licenses, permits)

Stage 2: Merit-Based Evaluation (All Eligible Applicants Compete Equally)

Once screened for disqualified categories, ALL remaining applicants are evaluated on merit and viability only—**NO preference given based on gender, veteran status, or geographic location**:

1. **Business Viability (40 points)**
    - Complete business plan with realistic projections
    - Market analysis demonstrating demand
    - Financial projections (revenue, expenses, break-even)
    - Owner experience/qualifications in the field
2. **Financial Readiness (30 points)**
    - Personal investment/skin in the game (matching funds)
    - Credit history (demonstrates financial responsibility)
    - Collateral or alternative security
    - Cash flow projections showing loan repayment feasibility
3. **Community Need (20 points)**

    - Does Louisville need this product/service?
    - Gap in market being filled
    - Customer base identification
4. **Job Creation Potential (10 points)**
    - Number of jobs to be created
    - Quality of jobs (wages, benefits)
    - Training/advancement opportunities

Basic Eligibility Requirements:

- Business located in Louisville (primary operations)
- Owner(s) reside in Louisville
- Less than 50 employees (small business definition)
- Passed Stage 1 screening (no disqualified business types)
- Good standing (taxes, licenses, permits)

Why It Matters

Why Merit-Based Forgivable Loans Work:

- Reduces risk for entrepreneurs (especially first-time)
- Creates accountability (stay in Louisville to earn forgiveness)
- Targets local businesses (chains not eligible)
- Best businesses rise to the top through fair competition
- Screening out harmful industries protects community character
- Equal opportunity for all qualified Louisville entrepreneurs

Evidence from Municipal Programs:

- **Muscatine, Iowa:** forgivable small business loans
- **Cuyahoga County, Ohio:** “gap filler” loans, forgivable with job creation
- **Philadelphia:** InStore program for retail/food businesses—interior improvements
- **Lowell, MA:** Forgivable loans for startups, relocations, expansions

Budget

Annual Cost: $3 million (at scale)

- Loan disbursements: $2.5M (new loans annually)
- Loan servicing/administration: $300K

- Technical assistance (business planning, mentorship): $150K
- Marketing/outreach: $50K

Net Cost After Repayments:

- Businesses that leave early repay remaining balance
- Planning assumption (not historical data): 80% of businesses stay for the full forgiveness period
- Net annual cost: ~$2.4M (after recoveries from early departures)

Economic Impact:

- 150 businesses × $50,000 average economic activity = $7.5M annually
- Job creation: 300+ jobs annually (2 jobs per loan average)
- Local businesses tend to keep more money in Louisville than chains do

Implementation

Year 1 (2026):

- Launch with $2M loan pool
- Target: 100 loans ($20,000 average)
- Partner with existing CDFIs (Community Development Financial Institutions)
- Establish **merit-based review committee:**
    - Business professionals (bankers, accountants, successful entrepreneurs)
    - Focus on viability scoring, not demographic characteristics
    - Blind review of business plans where feasible (remove identifying info)

Year 2-4 (2027-2029):

- Expand to $3M annually
- Target: 150 loans annually
- Begin forgiveness for Year 1 cohort (20% annually)
- Track outcomes: job creation, business survival, loan repayment rates
- Refine scoring rubric based on which criteria best predict success

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BUDGET SUMMARY

Total Annual Cost

Program	Annual Cost	Notes
Employee Bill of Rights	$0	No new money — carried inside the Worker Bill of Rights' $4M/year budget
Economic Development Accountability	$5M	Tax abatement compliance, clawback enforcement, CBAs (revenue-positive Year 2+)
Small Business & Entrepreneur Support	$7M	Loan fund, rent stabilization, technical assistance, procurement
Worker Cooperative Development	$5M	Seed funding, technical assistance, preferential procurement
Community Wealth Building (Anchors)	$5M	Anchor partnerships, local procurement coordination
Graduate Retention "Stay Louisville"	$5M	Degree buyback program, JCTC/STEM focus, phased expansion
Small Business Forgivable Loans	$3M	Merit-based loans, 150 businesses annually, 300+ jobs
TOTAL	**$30M**	

Funding Sources

Source	Amount	Notes
Metro General Fund (New Investment)	$14M	New budget allocation for economic development
Clawback Recovery (Non-Compliant Companies)	$5M	Enforcing accountability; companies repay broken promises
Federal Workforce Development Grants	$2M	WIOA, CDFI Fund, New Markets Tax Credits
Anchor Institution Contributions	$1M	Partnership cost-sharing
Federal Economic Development Administration (EDA) Grants & Metro General Fund Reserve	$8M	Federal economic development grants and Metro reserve allocation
TOTAL	**$30M**	Funded without tax increases on residents

Note: Economic Development Accountability becomes revenue-positive in Year 2 (clawback recovery exceeds costs).

All funding within Louisville Metro's $1.13 billion annual operating budget.

Outputs (4-Year Term)

Worker Protections:
– Kentucky Homeownership Wage Index published annually; employers recognized publicly for reaching it
– Wage-theft and misclassification complaints on Metro-funded work investigated, back pay recovered (Worker Bill of Rights)
– Metro neutral on organizing in its own workforce; NLRB filing assistance available to private-sector workers
– Sick leave, fair scheduling, workplace safety, rest breaks: for Metro's own workforce (Metro Employee Bill of Rights Right 4)

Economic Development Accountability:
– 90% compliance with job creation promises
– $30M in clawbacks recovered over 4 years
– 80% of major developments include Community Benefits Agreements
– Cost per job reduced to $35K

Small Business Support:
– 300+ new small businesses created
– 200 small business loans issued
– 50 small businesses protected from displacement (commercial rent stabilization)
– $40M in local procurement with small and local businesses

Worker Cooperatives:
– 10-15 worker cooperatives created/converted
– 300-500 worker-owners
– $100M annual revenue from cooperative sector

Community Wealth Building:
– $225M in anchor procurement shifted to local businesses
– 5,000 Louisville residents hired by anchors annually
– 10,000+ anchor workers at or above the Kentucky Homeownership Wage Index

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IMPLEMENTATION TIMELINE (4-YEAR TERM)

Year 1 (2026): Foundation

Q1:
– Metro Council passes Worker Bill of Rights ordinance (Labor Standards Office, contractor/vendor standards)
– Metro Council passes Economic Development Accountability ordinance

– Establish Labor Standards Office, Tax Abatement Compliance Office

Q2:
– Kentucky Homeownership Wage Index published for the first time
– Establish Small Business Loan Fund; hire lending staff
– Establish Worker Cooperative Development Center
– Negotiate anchor institution partnerships (first 3)

Q3:
– First clawback enforcement actions ($5M recovered)
– First small business loans issued (15 businesses)
– First worker cooperatives funded (5 coops)
– First anchor procurement commitments ($50M local)

Q4:
– First Metro-funded-work wage-theft complaints investigated and back pay recovered
– First Community Benefits Agreement negotiated
– Economic Development Dashboard launches (public transparency)
– 500 businesses receive technical assistance

Year 2 (2027): Expansion

Q1-Q4:
– Clawback recovery: $8M
– Anchor partnerships expand to 6 institutions; $100M local procurement
– Small business loans: 50 issued (cumulative 65)
– Worker cooperatives: 15 new (cumulative 20); 500 worker-owners
– 3,000+ Louisville residents hired by anchors

Year 3 (2028): Maturity

Q1-Q4:
– Clawback recovery: $10M (backlog cleared)
– Job creation compliance: 70%
– Anchor partnerships: 8 institutions; $175M local procurement
– Small business loans: 125 cumulative
– Worker cooperatives: 30 cumulative; 1,200 worker-owners
– 4,000 Louisville residents hired by anchors annually

Year 4 (2029): Sustainability

Q1-Q4:
– Economic development accountability: 90% compliance; cost per job $35K
– Anchor partnerships: 10 institutions; $225M local
– Small business loans: 200 cumulative; 300+ businesses created

– Worker cooperatives: 50 cumulative; 300-500 worker-owners; $100M revenue
– Louisville recognized nationally for worker-centered economic development

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SUCCESS METRICS & ACCOUNTABILITY

Worker Rights (Worker Bill of Rights + Homeownership Wage Index)

 Wage Index: published every January; share of employers recognized at the index reported annually
 Metro Gap: the annual report states, in public, what share of Metro classifications remain below the index and what closing it would cost
 Wage Theft (Metro-funded work): complaints investigated within 30 days; back pay ordered
 Misclassification (Metro-funded work): workers reclassified, back wages and benefits ordered
 Organizing: Metro certified neutral as an employer; NLRB referral assistance available to private-sector workers

Economic Development Accountability

 Job Creation Compliance: 90% of companies meet promises
 Clawback Recovery: $30M recovered over 4 years from non-compliant companies
 Cost Per Job: Reduced to $35K
 Living Wage Jobs: 90% of incentivized jobs pay at least $15/hour, with Homeownership Wage Employer recognition for those at the index
 Community Benefits Agreements: 80% of major developments include CBAs

Small Business Development

 New Businesses Created: 300+ over 4 years (200 loan recipients + 100 technical assistance graduates)
 Business Survival Rate: 60% at 5 years (vs. about 50% for new business establishments nationally, per the U.S. Bureau of Labor Statistics) due to technical assistance
 Commercial Displacement Prevention: 50 small businesses protected in gentrifying areas
 Local Procurement: $40M annually with small and local businesses

Worker Cooperatives

 Cooperatives Created: 50 over 4 years (30 new + 20 conversions)
 Worker-Owners: 2,000

 Cooperative Revenue: $100M annually
 Survival Rate: 80% at 5 years (vs. about 50% for new business establishments nationally, per the U.S. Bureau of Labor Statistics)

Community Wealth Building

 Anchor Local Procurement: $225M annually (from $150M)
 Anchor Local Hiring: 5,000 Louisville residents hired annually
 Homeownership Wage Recognition: 10,000+ anchor workers at or above the Kentucky Homeownership Wage Index

Overall Economic Impact

 Poverty Rate: Reduced by 25% from the starting rate
 Median Household Income: Increased by 10%
 Local Economic Activity: $1.5B in additional local spending (worker wages, local procurement, cooperatives)
 Jobs Created: 10,000+ living-wage jobs

RELATED GLOSSARY TERMS

This policy connects to 20 Economic Development & Workforce glossary terms on rundaverun.org:

Economic Development: Economic Development, Tax Abatement, Tax Increment Financing (TIF), Community Benefits Agreement, Clawback Provision, Anchor Institution, Community Wealth Building

Business & Entrepreneurship: Small Business, Worker Cooperative, Local Procurement, Community Development Financial Institution (CDFI)

Labor & Workers: Living Wage, Minimum Wage, Wage Theft, Worker Misclassification, Right to Organize, Union, Collective Bargaining

Workforce Development: Job Training, Apprenticeship, Career Pathway

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FREQUENTLY ASKED QUESTIONS

1. Didn’t I use to promise a $15 minimum wage? What happened?

The courts said no in 2016, and what a mayor can actually sign is bigger than $15:

Kentucky law preempts local minimum-wage ordinances above the state minimum — the Kentucky Supreme Court struck down Louisville’s own $15 ordinance in *Kentucky Restaurant Association v. Louisville/Jefferson County Metro Government* (2016, 6–1). No mayor can re-pass it and have it survive a challenge.

What I will do instead — two tracks, starting Year 1:

1. **Publish the wage, don’t mandate it.** The *Kentucky Homeownership Wage Index* — the wage it takes to buy a Kentucky home — reports every January, with public recognition for employers who reach it. No ordinance, no exemption fight, no lawsuit to lose.
2. **Use the tools a mayor actually has.** The *Worker Bill of Rights* sets contract standards on the workers Metro directly employs or funds through contracts and vendors — immediately, without waiting on Frankfort — while a Labor Standards Office helps every other worker file a wage-theft or retaliation complaint.

Louisville-specific:

- Metro coverage begins Year 1 — no phase-in needed because it is not a citywide mandate
- The index and the office cost $4M total, inside the Worker Bill of Rights budget — not a new $8M ask
- Coordinating with state legislators on local-control authority continues in parallel, in case the law changes

Bottom line: the wage floor Louisville tried to mandate in 2016 got struck down; the index and the rights floor are what survives a court challenge, and they start Year 1.

2. How can you enforce accountability on corporations when they have armies of lawyers and political power?

Strong enforcement requires three things: clear laws, dedicated staff, and political will. I will provide all three:

Clear, enforceable laws:

- **Specific job creation targets:** Contracts specify exact number of jobs, wages, benefits (no vague “economic development”)
- **Automatic clawbacks:** If company fails to comply, repayment is automatic (not

discretionary)

- **Private right of action:** Community groups can sue to enforce Community Benefits Agreements (not just Metro government)

Dedicated enforcement staff:

- **Tax Abatement Compliance Office:** 5 full-time staff investigating compliance
- **Third-party auditors:** Independent verification (companies can't self-report)
- **Legal team:** Attorneys to pursue clawbacks, defend against corporate lawsuits

Political will:

- **I won't be captured:** Not beholden to corporate donors (grassroots-funded campaign)
- **Public transparency:** Economic Development Dashboard makes non-compliance visible; public pressure forces action
- **Community power:** Community Benefits Agreements give residents legal standing to enforce

Tools:

- **Liens on property:** If company doesn't repay clawbacks, Metro puts lien on property (can't sell/refinance until paid)
- **Contract termination:** Future contracts denied to non-compliant companies
- **Public shaming:** Companies named on website as "Failed to Deliver on Promises"

Corporations have power—but organized communities, transparent data, and determined enforcement can hold them accountable.

3. Won't worker cooperatives just fail because workers don't have business expertise?

Workers who own the business have a direct stake in its success:

Why cooperatives succeed:

1. **Worker commitment:** Owners don't quit when times get tough; they work harder to save their business
2. **Better decision-making:** Workers have on-the-ground knowledge management lacks
3. **Democratic accountability:** Bad decisions get challenged; no single leader can drive business into ground
4. **Shared sacrifices:** During downturns, workers take temporary pay cuts rather than

laying off members

5. **Community support:** Customers prefer supporting worker-owned businesses

Business expertise:

- Workers aren't born with expertise—they LEARN (same as any entrepreneur)
- **Technical assistance:** Worker Cooperative Development Center provides business training, mentorship
- **Professional management:** Large coops can hire professional managers (who report to worker-elected board)
- **Networks:** Coops share knowledge, support each other (US Federation of Worker Cooperatives)

Examples of successful worker cooperatives:

- **Mondragon (Spain):** a network of worker-owned cooperatives in manufacturing, retail, banking and insurance
- **Cooperative Home Care Associates (NYC):** a worker-owned home health care company
- **Arizmendi Bakeries (SF Bay Area):** a group of worker-owned bakeries
- **Equal Exchange:** a worker-owned fair trade coffee and chocolate company

Louisville will support cooperatives so they succeed:

- Seed funding (capital to start)
- Technical assistance (business skills)
- Preferential procurement (guaranteed early customers from Metro contracts)
- Peer networks (learning from other coops)

Louisville will support cooperatives so they have the best chance to succeed.

4. How will Community Benefits Agreements actually be enforced? Won't developers just ignore them?

CBAs are legally binding contracts—enforceable in court, same as any contract:

Enforcement mechanisms:

1. **Private right of action:**
2. Community organizations are parties to CBA (have legal standing to sue)
3. If developer violates (doesn't hire locally, doesn't build affordable housing, etc.), community sues

4. Court orders compliance or awards damages

5. **Metro enforcement:**
6. Metro monitors CBA compliance
7. Violations trigger penalties:
    - Withhold building permits
    - Suspend tax abatements
    - Terminate contracts
    - Monetary penalties
8. **Third-party monitoring:**
9. Independent monitor verifies compliance (hired by community, paid by developer)
10. Regular reports to community and Metro
11. Early warning system (catches violations before major harm)
12. **Public transparency:**
13. All CBAs published online
14. Annual compliance reports public
15. Community can see if developer is keeping promises
16. **Financial incentives:**
17. Developers want tax abatements, permits, future contracts
18. Violating CBA jeopardizes all of those

Precedent:

- **Los Angeles LAX expansion CBA:** a community benefits agreement with local hiring and job training commitments
- **Atlantic Yards (Brooklyn) CBA:** Community enforced affordable housing requirements through lawsuit threat

Key: CBAs must have teeth:

- Clear, measurable commitments (not vague promises)

- Monitoring and reporting
- Consequences for violations
- Community power to enforce

Louisville will ensure CBAs are enforceable—not just PR.

5. Why should taxpayers subsidize worker cooperatives? Shouldn't businesses stand on their own?

Two responses:

Response 1: We already subsidize conventional businesses—heavily:

- Tax abatements to corporations
- Free infrastructure (roads, utilities for new developments)
- Tax breaks for data centers, luxury apartments, corporate relocations

If we're going to subsidize businesses, why not support worker-owned businesses that:
– Keep wealth local (worker-owners live in Louisville)
– Pay better wages (workers control wages)
– Have lower failure rates (more likely to succeed than conventional businesses)
– Build community wealth (vs. extracting wealth for out-of-state shareholders)

Response 2: Worker cooperatives generate higher returns for public investment:

Conventional business subsidy:
– $100K tax abatement → company creates 5 jobs paying $12/hour → profits flow to shareholders (out-of-state) → wealth extracted

Worker cooperative subsidy:
– $100K seed funding → coop creates 20 worker-owners earning $18/hour → profits shared among workers → wealth circulates locally

Economic multiplier:
– Worker-owners live in Louisville, so more of each dollar stays and circulates locally

Plus: Worker cooperatives don't get "free" money:
– Seed grants must be matched by worker capital contributions
– Conversion loans must be repaid
– Cooperatives must bid for Metro contracts (10% preference, not guaranteed award)

We're leveling the playing field—not giving unfair advantage:

Currently, system favors:
– Large corporations (economies of scale)
– Wealthy investors (access to capital)
– Out-of-state companies (subsidized with tax breaks)

Worker cooperatives face barriers:
– Difficulty accessing bank loans (banks don't understand coop model)
– No wealthy investors (workers pool limited resources)
– Overlooked by economic development (focus on "job creators," not worker-owners)

Public support removes barriers—enabling workers to compete.

Taxpayers benefit when public investment builds local wealth instead of enriching out-of-state shareholders.

6. Won't anchor institutions just move operations elsewhere if Louisville requires local hiring and procurement?

No—that's why they're called "ANCHOR" institutions. They literally cannot relocate:

Universities:
– University of Louisville has major buildings and campus infrastructure in Louisville
– Cannot move to another city
– Rooted in community (mission to serve Louisville)

Hospitals:
– Baptist Health, Norton, UofL Health have large medical facilities in Louisville
– Patient base is local (can't serve Louisville patients from another state)
– Licensed by state (can't just move)

Plus: Anchors BENEFIT from local hiring and procurement:

Local hiring benefits:
– Better workforce (workers invested in community where they work)
– Reduced turnover (local workers more stable)
– Community goodwill (strengthens anchor's reputation)

Local procurement benefits:
– Better service (local vendors more responsive)
– Relationship-building (long-term partnerships vs. transactional)
– Risk reduction (supply chain closer, more reliable)

Economic self-interest:
– Anchors depend on healthy local economy (sick economy = fewer patients, fewer students, workforce challenges)

– Local wealth building strengthens Louisville (benefits anchors)

Precedent:

- **Cleveland:** University Hospitals, Cleveland Clinic, Case Western voluntarily adopted local procurement and hiring (saw economic and mission benefits)
- **Baltimore:** Johns Hopkins voluntarily increased local hiring (saw community relations improve, workforce quality increase)
- **Preston, UK:** All major anchors shifted to local procurement (economic growth, no business departures)

I am not FORCING anchors—I'm PARTNERING:

- Voluntary commitments
- Mutual benefit (Louisville supports anchors; anchors support Louisville)
- Technical assistance (help anchors find local suppliers)

Anchors are rooted in Louisville. They want Louisville to thrive. Partnership is natural.

7. How will you fund all these programs when Louisville already has budget constraints?

This policy is largely self-funding—generates revenue and savings that exceed costs:

Revenue sources:

1. **Clawback recovery:** $30M over 4 years from non-compliant companies receiving tax abatements
2. **Wage theft recovery (Metro-funded work):** back pay ordered through the Worker Bill of Rights — not counted as general revenue
3. **Homeownership Wage Index recognition:** every employer that reaches the index moves its workers off public assistance and into mortgages; the annual report will count them, not a dollar estimate
4. **Economic growth:** Higher wages → more spending → more sales tax revenue ($5-10M annually)
5. **Federal grants:** $6M annually (workforce development, CDFI, New Markets Tax Credits)

Costs:

- Total: $30M annually

Net budget impact:
– Year 1: -$10M (startup costs)
– Year 2: Budget-neutral (clawbacks + savings cover costs)
– Year 3-4: +$10-20M surplus (revenue exceeds costs)

Plus: Reallocation from ineffective spending:

- Tax abatements are public money; where they don't create the promised jobs, that money can be redirected to programs that do

Economic multiplier:

- $30M investment → $1.5B in local economic activity over 4 years (worker wages, local procurement, cooperative revenue)
- Sales tax revenue from economic activity covers costs

Comparison:

- **Current economic development:** tax abatements, weak job-creation compliance, poverty wages
- **My approach:** $30M spent, 90% compliance, living wages, community wealth building

Louisville can't afford NOT to invest in workers and local businesses. Current approach wastes money while failing to build prosperity.

8. Won't businesses just leave Louisville or refuse to locate here if we have strong worker protections?

No—evidence shows the opposite. Cities with strong worker protections have STRONGER economies:

Examples:

San Francisco:
– A local minimum wage well above the federal minimum
– Paid sick leave, fair scheduling, union protections
– **Economy:** a strong economy alongside these protections

Seattle:
– A local minimum wage well above the federal minimum
– Strong worker protections
– **Economy:** a large tech sector and a robust small business sector

New York City:

– A local minimum wage well above the federal minimum, paid sick leave, fair scheduling, right to counsel in housing court
– **Economy:** one of the largest city economies in the country

What actually attracts businesses:

1. **Educated workforce:** Businesses need skilled workers (not cheap labor)
2. **Quality of life:** Talent wants to live in vibrant cities with good schools, amenities
3. **Infrastructure:** Roads, broadband, public transit
4. **Business ecosystem:** Suppliers, customers, networks

Race to bottom doesn't work:

- Cities competing on "low wages, weak regulations" attract only low-quality employers
- Good employers (tech, healthcare, finance) seek talent, quality of life—not poverty wages

Worker protections signal quality:

- "We value workers" attracts companies that value workers (good employers)
- "We exploit workers" attracts companies that exploit workers (bad employers)

Louisville's competition isn't Mississippi (low wages)—it's Nashville, Indianapolis, Charlotte (peer cities with strong economies AND worker protections).

Plus: Louisville has advantages businesses want:

- Central location (logistics hub)
- Affordable cost of living (compared to coastal cities)
- Cultural amenities (arts, food, parks)
- Anchor institutions (universities, hospitals)

Worker protections won't drive businesses away—they'll attract better businesses and help existing businesses thrive through stronger local economy.

9. What prevents worker cooperatives from becoming just as exploitative as conventional businesses?

Democratic structure prevents exploitation:

In conventional business:
– Owners maximize profit (pressure to cut wages, worsen conditions)
– Workers have no say (take it or leave it)

– Owners and workers have conflicting interests

In worker cooperative:
– Workers ARE owners (no conflict of interest)
– Democratic decision-making (one worker = one vote)
– Workers control wages, working conditions, benefits

Exploitation would require workers exploiting themselves—unlikely.

Safeguards:

1. **Democratic governance:**
2. All major decisions voted on by worker-owners
3. Board elected by workers (not appointed by investors)
4. Transparency (all workers see financials, decisions)
5. **Cooperative principles:**
6. International Cooperative Alliance principles (democratic member control, member economic participation, concern for community)
7. Violation of principles = loss of cooperative status
8. **External accountability:**
9. Worker coops must comply with same labor laws as conventional businesses (minimum wage, safety, anti-discrimination)
10. Worker-owners who aren’t board members have worker rights
11. Unions can organize in coops (some coops are unionized)
12. **Culture:**
13. Coops attract people who value equity, democracy
14. Peer pressure (worker-owners don’t tolerate exploitation of fellow workers)

Potential problems:

Problem 1: Majority exploiting minority
– Example: 60% vote to cut pay for 40%
– **Safeguard:** Cooperative bylaws typically require a supermajority for major decisions;

protects minorities

Problem 2: Worker-owners exploiting non-owner employees
– Some coops hire non-owner workers temporarily
– **Safeguard:** Coops must offer ownership after probation period (typically 1 year); prevents permanent underclass

Problem 3: Short-term thinking
– Workers vote themselves high pay, neglect reinvestment
– **Safeguard:** Educated membership understands long-term sustainability requires reinvestment; plus, workers' ownership stakes depend on business health

Bottom line: Democratic ownership doesn't guarantee perfection, but it prevents systematic exploitation because workers control their own conditions.

10. How will these policies build wealth, not just raise incomes?

Wealth gap requires wealth-building, not just income. My policies do both:

Income (immediate):

1. **Homeownership Wage Index recognition:**
2. Low-wage workers stand furthest from the wage it takes to buy a home
3. Wage increase benefits low-wage workers most
4. **Wage theft enforcement:**
5. Immigrant and low-wage workers most likely to experience wage theft
6. Recovering $50M annually puts stolen pay back in workers' pockets
7. **Misclassification protection:**
8. Misclassification concentrated in construction, home care, delivery
9. Reclassification means benefits, protections, higher wages

Wealth (long-term):

1. **Worker cooperatives:**
2. Ownership builds wealth (ownership stakes and profit-sharing)
3. Priority for low-wage workers becoming worker-owners

4. Addresses wealth gap through ownership, not just wages

5. **Small business support:**

6. Entrepreneurs banks turn down get loans through the Small Business Loan Fund
7. 300+ new small businesses over 4 years

8. Business ownership builds generational wealth

9. **Homeownership (—Housing):**

10. Down payment assistance for first-time homebuyers under 80% of area median income
11. Community Land Trusts build home equity

12. Rebuilds equity in neighborhoods banks wrote off

13. **Anchor procurement:**

14. $225M a year in anchor spending shifted to Louisville businesses
15. Enables local businesses to grow, create wealth

Why wealth matters:

- Income pays bills; wealth builds security, funds college, provides retirement, transfers to next generation
- Can’t close the wealth gap without building ownership (businesses, homes, cooperatives)

Metrics:

- **Small business ownership:** 300+ new small businesses over 4 years
- **Worker-ownership:** 2,000 worker-owners in cooperatives

This strategy builds ownership for the workers and neighborhoods that have had the least.

CONCLUSION: AN ECONOMY THAT WORKS FOR WORKING PEOPLE

For too long, Louisville's economic development has served corporations and wealthy investors while leaving workers behind. We give tax abatements to companies that promise jobs but deliver poverty wages—or no jobs at all. Workers have their wages stolen, their safety ignored, their right to organize crushed. Small businesses struggle while big box stores receive subsidies. Wealth flows out of Louisville to enrich distant shareholders.

I believe **an economy should be judged by whether working families can afford decent lives**—not by stock prices or CEO compensation.

The Worker Bill of Rights will ensure every Louisville worker can recover stolen wages, organize without retaliation and see what a job pays. Metro's own employees gain sick leave, fair scheduling and workplace safety standards through the Metro Employee Bill of Rights, and the Kentucky Homeownership Wage Index will say every January what it takes to buy a home.

Economic development accountability will require companies to create promised jobs at living wages, where state law allows—or repay incentives.

Small business support will ensure entrepreneurs in every neighborhood can access capital, avoid displacement, and compete fairly.

Worker cooperative development will enable workers to own businesses, share profits, and build wealth.

Community wealth building through anchor institutions will keep hundreds of millions of dollars circulating in Louisville instead of enriching out-of-state shareholders.

Worker dignity is human dignity. Louisville's economy should work for everyone—not just the wealthy.

I will make Louisville a city where work pays, where workers are respected, and where economic development serves the community—not just corporations.

Related Policy Documents:
– Public Safety & Community Policing
– Criminal Justice Reform
– Health & Human Services
– Budget & Financial Management
– Affordable Housing & Anti-Displacement
– Education & Youth Development

– Environmental Justice & Climate Action

Learn more at rundaverun.org/policy

Dave Biggers for Louisville Mayor 2026
“Democracy that works for everyone.”

What This Means for YOUR Neighborhood

Every Louisville neighborhood is unique. Enter your ZIP code to see how this policy directly impacts your community:

Find Your Mini Substation

Enter your ZIP code to see when your neighborhood will receive a community police substation.

Find My Substation

63 mini substations across Louisville, at least one in every ZIP code, phased in over 4 years.

Part of my comprehensive public safety plan.

See the Budget Impact

Explore how this policy fits into my comprehensive $1.13 billion budget plan:

How Does My Budget Affect You?

See your personalized impact - zero tax increase, real benefits

Household Income $50,000 50000
Children in JCPS 0 0
Your ZIP Code

Your Personal Impact

How we calculate: Benefits based on average family savings from wellness center access ($800/year), youth program value (after-school + summer jobs), and your specific mini substation timeline. All benefits come from the same $1.13B budget - zero tax increase.

Share your results with friends and family:

Share My Results

⚖ Compare This Policy

See how my approach differs from current administration policies:

⚖ My Plan, Category by Category

Pick a category to see what my plan does, how it is paid for, and when it arrives.

Share This Plan Print This Plan
Public Safety Wellness Youth Economy Housing Transparency

Public Safety & Policing

My Plan

Community-based mini substations

Approach

- 63 mini substations across Louisville (4-year deployment)
- Officers living and working in communities they serve
- Preventative community policing model
- Year 1: 12 substations in highest-need areas

Timeline Year 1-4 phased rollout
Budget Same $1.13 billion; no new taxes; priorities re-pointed inside the adopted budget
Impact Projected response times: 3-5 minutes (campaign estimate)

Mental Health & Wellness

My Plan

Wellness centers placed by health need

Approach

- I will place 18 Community Wellness Centers by health need (CDC PLACES 2024 plus Census poverty data)
- Mental health counseling, addiction support
- Youth programs, family services
- At least one center in every LMPD division

Timeline 6 centers a year over Years 1-3
Budget $45M a year when fully built (18 centers at $2.5M each), inside the adopted budget
Impact Accessible care within every neighborhood, preventative focus

Youth Development

My Plan

Comprehensive youth investment

Approach

- After-school programs at all substations
- Job training and mentorship
- Arts, sports, and STEM programs

- Youth advisory councils
- Summer employment pathways

Timeline Immediate implementation with substation rollout
Budget $32.5M for youth programs, inside the adopted budget
Impact Accessible programs in every neighborhood

Economic Development

My Plan

Community wealth building

Approach

- Small business incubators at substations
- Local hiring requirements for city contracts
- Neighborhood-based economic zones
- Affordable housing protection
- Living wage standards

Timeline Immediate policy changes, 4-year infrastructure build
Budget Same $1.13 billion; no new taxes; priorities re-pointed inside the adopted budget
Impact Jobs and wealth stay in neighborhoods

Housing & Affordability

My Plan

Housing as a human right

Approach

- Expanded affordable housing trust fund
- Strong tenant protections
- Community land trusts
- Rent stabilization measures
- Anti-displacement policies for existing residents

Timeline Immediate policy changes
Budget Same $1.13 billion; no new taxes; priorities re-pointed inside the adopted

budget
Impact Protects residents, prevents displacement
□

Government Transparency

My Plan

Radical transparency

Approach

- Real-time budget dashboard
- Public data portal for all city metrics
- Community advisory boards with veto power
- Open contracting process
- Regular town halls in all neighborhoods

Timeline Immediate implementation
Budget Low-cost digital infrastructure
Impact Citizens empowered with information and decision-making power

The Choice is Clear

Louisville deserves transformative change, not more of the same. Join us in building a city that works for everyone.

Join the Campaign Read Full Policy Platform

Share This Policy

Help spread the word about my vision for Louisville:

Related Policies You Might Like

How to Vote for Me

I am a write-in candidate: in the race for Mayor, mark the write-in spot and write **DAVE BIGGERS** (the last name, Biggers, is required).

Early voting, no excuse needed: October 29–31 · Election Day: Tuesday, November 3, 6 AM to 6 PM. Registration for the November 3 election closed October 5.

✓ Check My Registration and Polling Place View All Election Dates →

Stay Updated on This Policy

Get notified when this policy is updated or when I speak about this issue in YOUR neighborhood.

* indicates a required field

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Fax Number (Leave blank)
Name *
Email * We'll send you updates about the campaign
Zip Code 5-digit zip code (optional)
☐ I'm interested in volunteering! We'll send you information about volunteer opportunities
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Have Ideas to Improve This Policy?

This is YOUR city. If you have suggestions for how we can make this policy better for Louisville, please share them. Every idea is reviewed.

Suggest an Improvement for Louisville

Have an idea for improving Louisville? Share your policy suggestion below. Your voice matters in shaping our city's future.

Policy Title *
Description *
0/2000 characters
Category Select a category...
Your Name *
Your Email *
ZIP Code (Optional)
☐ I agree that my suggestion may be reviewed and potentially incorporated into campaign policy. My email will only be used to notify me about the status of my suggestion.
Submit Suggestion

NOT ME, WE.

Together, we make Louisville better for everyone.