

In 2007, the Gulf Coast Business Council launched the Masters Leadership Program, bringing a new class of emerging leaders together each year to act as a regional “Think Tank” for the year. Each year the class learns, challenges assumptions, and develops solutions with a goal of making the Gulf Coast region the most livable region in the United States. Since 2010, the Masters Leadership Program has been researching key factors that will enable the Coast to become one of the most livable regions in America. The program has published white papers and recommendations in the following key areas:

- *Early Childhood Education*
- *Capturing the Creative Class*
- *Smart Growth Policies for the Coast*
- *Leveraging the Scientific and Military Assets of the Coast*
- *Leveraging the Gulf of Mexico for Regional Viability*
- *Broadband for the Coast*
- *Blue Print Gulf Coast Initiative- Year 1: Pillars for Prosperity*

The 2017 Masters Leadership Program launched the “Blue Print Gulf Coast Initiative” - a five-year program to create a roadmap for the Coast’s future success. The class identified and researched four key economic pillars that could become the foundation for the Coast’s future economic prosperity and viability: community development, economic development, public advocacy and governance. As a follow up, the 2018 class was tasked with further examining the first pillar, Community Development, and developing recommendations that will help ensure future quality of life, economic health and good development across the region.

WHAT IS COMMUNITY DEVELOPMENT AND WHY IS IT CRITICAL TO ECONOMIC DEVELOPMENT

There are countless definitions of community development ranging from broad theory to specific action. For our purposes community development is defined as the process of taking intentional, collective actions to improve the social, economic, physical, and environmental well-being of a community, while preserving valuable aspects of the culture of the particular geographic area. One might ask, why is community development the current focus of the Business Council? The answer is the product of a growing body of research that shows that community design and planning strategies are becoming critical to fostering economic development; and more specifically, a growing Creative Economy. Traditional

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is the process of taking intentional, collective actions to improve the social, economic, physical, and environmental well-being of a community, while preserving valuable aspects of the culture of the particular geographic area.

“Keep your tax incentives and highway interchanges; we will relocate where the highly skilled people are.”

– Carly Fiorina, CEO Hewlett-Packard
(National Governors Association conference in DC, 2000)

economic development strategies such as tax incentives and highway interchanges no longer suffice in attracting the talent and diversity of industry needed for a sustainable economy. Furthermore, well-planned communities in terms of both physical and social space, are becoming a driving force, if not *the* driving force, in economic development. The use of green outdoor spaces predicted both the strength of neighborhoods social ties and the sense of community. (Kweon, Sullivan, and Wiley, 1998) A new model for economic development that is quickly gaining traction is based on attracting and cultivating human capital and is easily remembered as the four T’s: Technology, Talent, Tolerance and Territory (sense of place*) (Florida, 2012)*.

THE CREATIVE SECTOR

What is the creative sector? Over the past half century the US has shifted from an economy centered on producing physical goods to one centered on innovation and knowledge (Moretti, 2013). It is likely that this trend will continue as more and more jobs revert to automation. A study by the McKinsey Global Institute published in Fortune Magazine in November 2017 estimates that between 400 million and 800 million of today’s jobs will be automated by 2030. The professions that make up this growing creative sector include people in science and engineering, architecture and design, education, arts, music and entertainment whose economic function is to create new ideas, new technology, and new creative content. Other creative professionals include business and finance, law, healthcare, and related fields (Florida, 2012).

THE RISING WORKFORCE

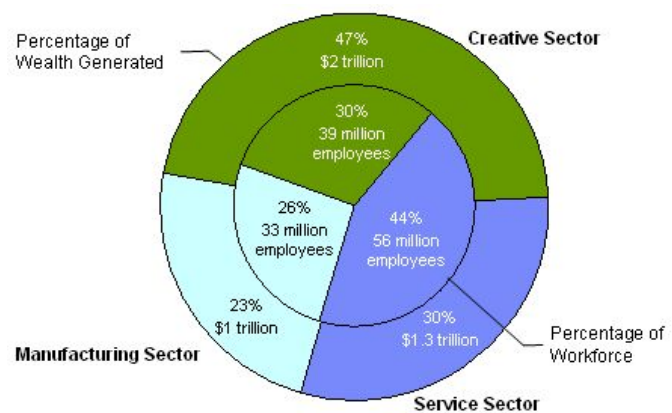
A key cohort of the creative sector and rising workforce are the Millennials. Millennials, also known as Generation Y, Generation We, Generation Next, and the Net Generation, are young adults born between 1981 – 1996 and the largest U.S. cohort following the Baby Boomers (Strauss and Howe, 2000; Tapscott, 2009). With a reputation as “job hoppers” recruiting them will not be enough in today’s workforce. Retention of this generation is imperative for organizational success and longevity. (Smith, 2019) In the past, work was a location; today, work has shifted from a place to a space. The technology shift from fixed communications to mobile communications has redefined how and where we work. For the Millennial generation, the never offline and always-available workplace is all they know. To them, turning off work at 5:00 p.m. is an antiquated practice. (Jenkins, 2019) They have several defining characteristics, such as higher education levels, more debt, and less conservative viewpoints than previous generations, making them a unique cohort (Pew, 2014). This generation has come of age during a time of technological change, globalization and economic disruption that has given

them a different set of behaviors and experiences than the generation before them. They have been slower to marry and move out on their own and have shown different attitudes toward ownership that have helped spawn what's being called a "sharing economy." This generation has never known a world without electronics or the internet. This is what led to the term "digital native" which has since been revised to be known as "digital wisdom" (Prensky, 2009). They are accustomed to instant access, price comparisons, product information and peer reviews. In addition, they are dedicated to wellness, devoting time and money to exercising and eating right. Their active lifestyle influences trends in everything from food and drink to fashion. Millennials are primarily attracted to a community's sense of place, and it can be a key factor in recruiting and retaining them within a geographic region. While Millennials are not the only cohort in the rising creative sector of the economy, their migration trends closely mirror those in the creative sector.

The creative sector is very attractive in terms of economic development due to its multiplier and spillover effects in the areas of technology, innovation and knowledge. Unlike other economic sectors, the percentage of wealth generated from the creative sector far exceeds the number of people it employs (see Figure 1). In addition, manufacturing and service sectors seem to also benefit in areas where there are strong creative sectors (Florida, 2012). Social indicators have shown that the creative sector has a profound effect on other societal conditions including improved health of residents and increased family stability (Moretti, 2013). Regions that have learned to foster a strong creative economy have risen to the top and have remained more resilient in times of natural disaster and economic down-turn.

We all want the Mississippi Gulf Coast to be a successful and resilient region, but how do we get there? From what we have learned, a region's success and resiliency are hinged on it having a diversified economy with a large creative sector. Furthermore, companies that are driving the creative economy are locating based on the prevalence of talented and highly-skilled creative people. Finally, people in this creative class, including many Millennials, are locating for quality of life and lifestyle. With the rise of technology and increasing mobility of jobs and people, *places* are becoming more important.

Figure 1: Economic Impact of the Creative Sector



Source: (Ing, 2008)

In short, we need more high-tech companies and great communities. To this end, the Masters Leadership Program class of 2018 started to explore answers to the following questions:

- What makes a *great* community?

- What are other regions doing to build the creative economy?
- What are our challenges and opportunities in coastal Mississippi?

ELEMENTS OF A GREAT COMMUNITY

According to a 3-year Gallop survey funded by the Knight Foundation (2009-2011) called “Soul of a Community,” three main qualities that attach people to place are:

- Social offerings (such as entertainment venues and places to meet)
- Openness (how welcoming a place is)
- Aesthetics (an area’s physical beauty and green spaces)

In terms of social offerings, the members of the creative class are looking for high-quality amenities and experiences. According to Richard Florida, the “physical attractions that most cities focus on building – urban malls, freeways, tourism-and-entertainment districts that resemble theme parks – are irrelevant, insufficient or actually unattractive to them.” In addition to restaurants and retail, great communities offer access to both passive greenspaces and programmed parks that contribute both to an area’s aesthetics and menu of social offerings. A variety of affordable and quality housing and transportation choices are essential. Finally, walkability and attention to detail at the pedestrian scale is critical.

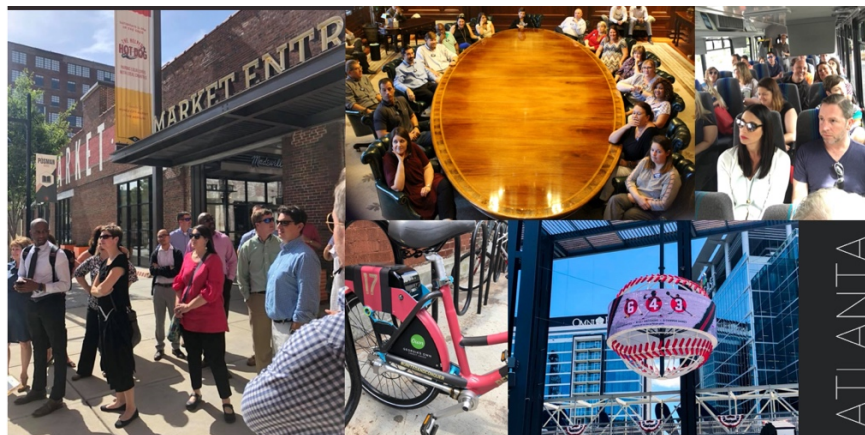
Interestingly, and to the Mississippi Gulf Coast’s advantage, mid-size cities with slightly less density are doing better than the larger metro areas. In addition, many smaller cities and towns in the South are leading the charge. These smaller metro regions still have some of the best aspects of big-city living like lively public spaces, amenities and walkability, but tend to rank higher in terms of traffic congestion, public safety and environmental quality.

CASE STUDY: ATLANTA, GEORGIA

To get a clearer understanding of the impact that intentional community development can have on building a sustainable economy, the 2018 Masters Leadership class visited Atlanta, Georgia. Although Atlanta is not necessarily comparable in size and geography, like the Mississippi Gulf Coast it is a melting pot of culture and has had to reinvent itself after disaster. From its humble beginnings as a railroad terminus, metro Atlanta has grown to become one of the nation’s largest, most dynamic regions – and a major player on the global stage. The region is growing fast, with a population that is rapidly diversifying. This vibrant region is the economic capital of the Southeast and boasts world-class universities, the world’s most-traveled airport and a lively arts and culture scene.

Over the course of three days, our Masters Class experienced a great deal of what the Atlanta region has to offer. A few key takeaways:

- Georgia has a thriving Main Street program that supports the creative sector. Interestingly, the Director of Georgia's Main Street program has a Masters of Fine Arts and a passion for Technology. Under her leadership, Georgia's Main Street program does not spend a great deal of time on events, but rather focuses on increasing the capacity and likelihood of success of small businesses and creative entrepreneurs.
- Investment in the Atlanta region is focused on the urban core. Developers are capitalizing on the creative reuse of existing infrastructure with a focus on infill and mixed-use development. An example of this is Ponce City Market.
- There are many great examples of public/private partnerships for community development, including the Atlanta Braves Battery Park and the Atlanta Beltline.
- Investment in the Atlanta Beltline multi-modal trail system is spurring reinvestment and development throughout the city. New development is bound by inclusionary zoning to protect housing affordability and public space design guidelines to promote and align aesthetics. Having these policies and ordinances in place is ensuring that the development that occurs is the right development. The Atlanta Beltline is a perfect example of a public/private partnership and the outstanding impact it can have on an entire region.
- The Atlanta Regional Commission is a strong, unifying force, offering coordination, training and support in terms of planning and community development. The ARC is a regional commission with a board of constituents from public and private sectors from in 10 counties and municipalities surrounding the Atlanta-metro area.



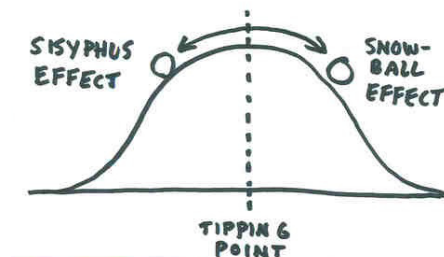
TAKEAWAYS

Over the past year, the Masters Leadership class of 2018 has spent a great deal of time seeking to understand what other successful regions are doing to bolster the creative economy. The following are some of the key takeaways from our research and travels.

- Regional cooperation, coordination and branding is critical.** While we may see ourselves as individual cities and communities on the coast, we are competing for jobs and people on the regional scale. Individual jurisdictions and communities can and should have their own unique identity but need to coordinate and strategize as a region. This is an area where the Mississippi Gulf Coast is at a disadvantage in both its linear nature and absence of a unifying regional body. Not only do we lack regional coordination, but we end up spending more to do less.
- It's all about the clusters.** Synergy and economies of scale depend on clusters of people, types of business and other resources. Where these clusters are not naturally occurring, they can often be engineered through policy and design. Clustering is not a new concept and is utilized in many planning and economic development strategies including smart growth, tech hubs, nodes, and transit-oriented development.



- The tipping point dynamic is a reality.** Cities that are not already innovation hubs find it hard to get started and essentially need a “big push” to get them over the tipping point. Inability to adapt and getting stuck in the past is a major barrier to many regions. A successful “big push” initiative needs to leverage the unique strengths of a region. Examples have included “place-based” policies that try to engineer clusters such as Empowerment Zones or incentives to attract academic or entrepreneurial “stars.” Essentially, these efforts can either target the tech-companies or the talent, or some combination of both. Sometimes all it takes is one innovative person or company to start the shift. When Bill Gates moved to Seattle it was considered an unattractive and unlikely place, but he located there for personal reasons and it was a catalyst for major revitalization. San Diego was a “quiet community that attracted mainly retired navy sailors, fisherman and tourists,” - sounds like the Mississippi Gulf Coast - but now it is a major biotech cluster.
- Knowledge is key and doesn't just happen in the classroom.** Both traditional education and informal knowledge sharing are extremely important to talent

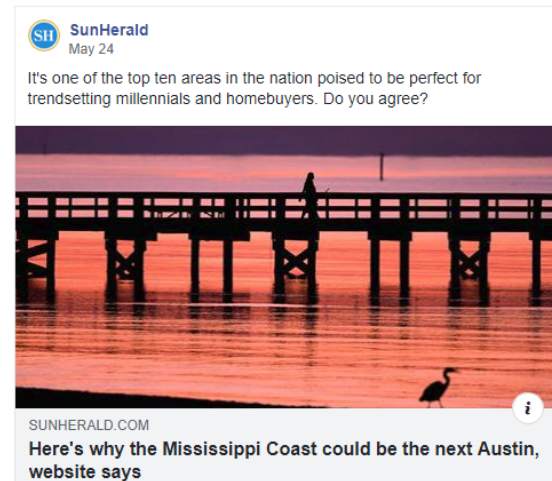


development. As it relates to our education system, we need to encourage creative and innovative thinking inside and outside the classroom. In terms of informational education, knowledge sharing, and spillover is critical to the creative sector and doesn't just happen in the office. Workforce development is a key factor in a region's economic success.

- **Everyone has a role in economic development.** For the needed change to take place, everyone from our elected officials and community planners to educators and business leaders need to embrace their role in economic development.

WHERE ARE WE NOW

This year the Gulf Coast Business Council commissioned a report titled "Gulf Coast Placemaking & Talent Attraction Report" that was presented on November 16th at the 2nd Annual State of the Coast Economy Symposium. The findings of this report are consistent with what our Masters Leadership Class has found over this past year: as a region we have many competitive advantages, but we are at a critical turning point. Our community has suffered through multiple disasters, causing significant economic, physical, and environmental impact, from which we continue to recover. We are not advancing as we should be and continue to hemorrhage talent. With recent legislation regarding the distribution of BP Funds, we have the opportunity right now to enhance the Mississippi Gulf Coast for future generations. As a region we have everything we need, including ample resources, to get over the tipping point if we can come together as a region to make the big push forward.



WHERE DO WE GO FROM HERE?

This is the time to act. With nearly 75% of the BP dollars coming to the Mississippi Gulf Coast, we have an opportunity to shape our future and write our own narrative. Working together, we can leverage the millions of dollars received from the BP Funds to ensure the Gulf Coast is a thriving region. Let's be bold!

After a year of studying successful organizations, regional models and research, the 2018 Masters Leadership Class has the following recommendations that will enhance community development, improve our economy and the quality of life for all residents in this region:

We believe the Gulf Coast needs a functioning Regional Community Development Corporation that is tasked with bringing about large scale, transformational community development projects. By either creating a Regional Community Development Corporation (RCDC) or retasking an existing organization already involved in community development, the Coast will have a vehicle that strengthens collaboration and provides a uniform funding model that yields a return on investment for all coastal communities. This type of corporation would be the catalyst that leverages a multitude of financial tools into one powerful partnership. Their overarching goal would be to bring about projects that result in high return-on-investment community building as such, where the process is as important as the results. One of the primary challenges of community development is to balance the need for long-term solutions with the day-to-day realities that require immediate decision-making and short-term action. A RCDC could be a key asset to ensure the Coast is up to the task.

As a Coast, we must take intentional and collective actions that move the Gulf Coast toward more sustainable social, economic, physical, and environmentally progressive communities. Embracing innovative thinking and action, a RCDC can drive an agenda that promotes innovative projects such as transformational mixed used developments consisting of high quality residential, commercial, office and retail spaces, multi-modal transportation corridors complete with healthy living facilities, green spaces, walking trails and biking paths, and redevelopment of blighted areas using innovative real estate principles that will improve the quality of life of all residents.

Across the country there are many discussions ongoing regarding generational gaps and differences that are affecting the workforce. In Mississippi, Millennials are fleeing to other states with higher paying jobs and more quality of life amenities. With a lack of high paying jobs and the lack of multi-family affordable housing in highly desirable city centers along the Coast, Millennials are seeking out other markets for work and residence.

In order to retain the current workforce and attract new highly skilled workers, the Coast must recruit high tech industries and prepare current students for the jobs of the future. Projects initiated by a RCDC can help strengthen the Mississippi Gulf Coast economy by eliminating blight, encouraging new development and increasing the population of skilled workers. With the rise in jobs and population, the economy will strengthen, and the number of residents leaving the region and the state will decrease.

Last year's Masters Leadership Class discussed the importance of a residential four-year university on the Coast. Our class would like to reiterate the importance of having a four-year residential university on the Coast. Historically, technology districts have been anchored by higher education campuses. The Coast needs a tech district. If we had a major four-year residential university on the Coast, we would have a better chance of attracting technology companies. This would encourage in-migration and entrepreneurship, which are necessary to improve the economy. Having more science and technology jobs on the Coast will increase

the median income and enable the retention, recruitment and relocation of more families to the Coast.

We also believe it is important for leaders on the Coast to remain culturally competent and aware of the wide array of opportunities to grow the Coast. In addition, they must embrace change and understand the latest technology and workforce trends. Leaders must be innovative and critical thinkers willing to make difficult decisions on the forefront of change. It will take focused, dedicated efforts to break through the barriers that have hindered the growth of the Coast economy. It is going to take the responsible actions of true change agents to ensure that a tangible plan is implemented. Community engagement is also foundational to

this effort's success. We must begin to lead from the bottom up by promoting involvement, awareness, and ensuring sustainability.

IN CLOSING

As a class, we were asked, "what does success look like?" To us, success is having a strong, responsible and proactive regional governance structure that is willing to facilitate change and seize on opportunities. The model is clear - community development activities build stronger and more resilient communities through an ongoing process of identifying and addressing needs, assets, and priority investments. Community development activities support infrastructure, economic development projects, installation of public facilities, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance and many other identified needs.

We've seen firsthand how similar models have been tremendously successful in cities like Nashville and Atlanta, and we believe this can work on the Coast. We encourage the Gulf Coast business community to work together and embrace the opportunity to enhance community development efforts in Coastal Mississippi with the goal of making the Gulf Coast the thriving, successful region we all know it can be.

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