

CHAPTER 2

The Pensacola Story

Often the dots don't get connected until a journey is far down the road or even over. Only in hindsight can one look back and clearly see the path that was taken to get there. There had been many attempts to revitalize Pensacola over the years. Like most communities, there were many government-sponsored plans, chamber plans, etc. Also, like many, they are very hard to execute for a number of reasons. These can range from lack of funds to stakeholder disagreements to election cycles to overall economic changes. The process described in this book included all of these challenges—and even more.

My involvement was purely accidental. In a way, this was an advantage, because I didn't come into the process with a lot of rigid ideas on how things should be done. This made me more flexible and more open to taking risks. I never knew how tough it would be; if I had, I probably never would have tried. This task is not for the faint-hearted or weak-kneed. If you are reading this book, you already have what it takes: passion and a willingness to learn.

Now that things are well underway, it's easier to look back and see what worked and what didn't work—and to share what we've learned so far, both wins and losses, with other communities. That's why this book was written.

Taking time to tell our story made it very clear that there are certain ingredients that help communities become vibrant. (By *vibrant* I mean a place where young people can stay home after college and still fulfill their potential, a place

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that attracts talent and private investments, a place where a strong tax base leads to financial health. A place that's safe and clean with a great education system.)

What are these needed ingredients? There are the people who want something better for their children and grandchildren. There is the willingness to look at data objectively. There are outside circumstances that present themselves. There are people from outside the community who become key mentors. There are times when the right actions are taken, as well as times when things just don't go as planned. In the journey to create a more vibrant community, no one goes undefeated. There are wins and losses along the way.

We can see things now that we couldn't see in the beginning. If someone had told me in the early 2000s that I'd be involved in community revitalization and eventually write a book about it, I certainly would have doubted it. Not that I wasn't interested in writing books; I've written seven of them on leadership and creating better organizations and better employees. I'd worked with my own company in helping organizations achieve high performance. But none of my previous experience or skill set could be directly applied to improving a community, or so it seemed.

As it turned out, my background had actually prepared me well for this journey. I just didn't realize it at the time it all began.

Business and Baseball

On June 9, 1996, I arrived in Pensacola to be the administrator of Baptist Hospital. I had spent the past three years in Chicago working in healthcare, and before that, a number of years in Wisconsin. We had some success, and I was recruited to Baptist to improve their performance. To do so it was apparent that we had to create a great place for employees to work, patients to receive care, and physicians to practice medicine. We had to create a culture of high performance.

Building on what I had learned before coming to Pensacola, and because we had a great team at the hospital, we achieved success. The success attracted the attention of other healthcare systems that were interested in adopting many of the practices. So in 2000, I left Baptist to start my own company. We wanted our offices to be close to where our children went to school, so we rented office space in Gulf Breeze, FL, a small community just east of Pensacola. We recruited great employees, and the company grew quickly.

Many of the skills I learned during this time in my life—managing change, responding to changes in the external environment, engaging employees, creating great customer service, and so forth—prepared me for what we would eventually do in our efforts to make Pensacola better. In many ways I have found that changing the culture of a community is not so different from changing the culture of an organization.

In 2002, my wife, Rishy, and I bought an independent baseball team, the Pensacola Pelicans. At that time it played at Pensacola Junior College, which is now Pensacola State College. In 2003 the team moved to the University of West Florida, which is a school about 20 minutes north of downtown Pensacola. (Bear with me because this baseball connection turns out to be really important to Pensacola's story.)

The Meeting That Kicks Off the Journey

Then in early 2004, Tom Bonfield, the city manager of Pensacola, called and asked me to breakfast. Tom explained that he was curious if we were open to moving the company from Gulf Breeze to downtown Pensacola. He shared that many companies had moved out or closed and he was very interested in bringing our growing company downtown.

In that same conversation, we talked about the Pensacola Pelicans. Tom shared the possibility of creating a place downtown where the team could play.

My company was really interested in the idea of moving downtown. We looked at some existing office space, but it became apparent that a new building would work best for our needs. Also, the idea of putting a stadium in downtown Pensacola intrigued me. So in an effort to learn more, a team of experts was put together to help assess the idea of constructing a new building and a stadium.

This team consisted of Miller Caldwell Jr., an architect, Dick Appleyard and Ellis Bullock, who each owned marketing and advertising companies, Raad Cawthon, who worked for Ellis, Mort O'Sullivan, an owner of an accounting firm, and Bob Hart, an attorney. I had a good working relationship with all of them, and they were well respected. (Interestingly enough, this "steering committee" turned out to be instrumental as things started to unfold.) We contracted with Mike Thiessen of The Madison Group, who had a lot of experience in helping

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other communities build stadiums and who brought outside expertise to the situation.

In looking to build a stadium for the Pelicans, we had commissioned some schematic drawings. These included a multi-use park, an office building, and some land that could also be used for other offices and retail space. We found a large piece of acreage just west of downtown, the EPA Superfund American Creosote Works Inc. site that was sitting vacant and had been for years. It had suffered significant environmental damage, and we had Mort determine if it made sense financially to try to recapture the property. Turns out, the land was just not suitable because of the environmental issues, so we put the project on pause.

Around the same time, Jim Clifton, chairman and CEO of Gallup, contacted me. Gallup does considerable work in healthcare. He had noticed that organizations served by my company performed well. Being a person always searching for solutions, Jim invited me to come meet with him in Washington, DC. While we spent most of the time discussing healthcare, he happened to mention that Gallup had completed a study on economic development and why some cities thrive and others do not. He shared the findings with me that later went on to become the foundation of his book *The Coming Jobs War*.

My take on what Jim shared was that the key to thriving is not location, nor is it the type of government structure. Rather, a community's likelihood of thriving comes down to several factors that all need to come together in the right way at the right times.

One is its ability to identify and keep those companies that get their revenue from *outside* the community. This means new dollars are coming into the area, rather than the same dollars just being moved around in the community. He said if you want to know how your elected officials are doing, just ask them to name ten companies that get their revenue from outside of town, and ask what they're doing to keep them. He also shared stories of companies that had relocated, and when they were asked why they moved, they said it was because the new city was spending a lot more time trying to recruit them than their current community was spending trying to keep them. Retention is just as important as recruitment.

Another factor is the community's skill in identifying and helping promising start-up companies. Due to the nature of many companies, owners often need creative ways to get this start-up capital. Today's banking environment makes it

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hard for small businesses to get start-up loans. A community that can help them get that needed capital is more likely to thrive. Once again he advised going to the elected officials, or the people in charge of economic development, and asking what five or ten start-up companies in their community might grow if they had more capital. Communities benefit when local companies sprout and start growing.

Another very important factor is a vibrant downtown. Jim explained that communities really benefit from a vibrant downtown, as it creates tax dollars and keeps talent in the area. The vertical growth that happens in vibrant downtowns pays for urban sprawl.

A big takeaway from this meeting was that four elements are needed to create a vibrant downtown. They are as follows: programming that brings lots of people downtown on a regular basis, retail and entertainment options, office space options, and diverse residential options. While it would be nice to get the residential first so the retail and entertainment can do better, that can't always happen. Often the residential part is hardest, because people want to live in places where they can shop, work, and play.

The first priority is getting the downtown programmed. People expect retailers or restaurants to just pop up downtown, but that's not how it works. Businesses follow people. So getting people downtown on a regular basis, not just once in a while, is vital. Most communities don't have the dollars to make large, permanent investments to get people downtown right away. You can draw people downtown with smaller, less formal gatherings to get things rolling. Farmers markets, food and art festivals, food trucks, concerts, gallery nights, etc. all work really well.

Once people are coming downtown on a regular basis, traffic to restaurants and shops will pick up. When that happens, more people are coming downtown, so office space becomes more attractive. People like to work downtown when there are lots of things to do.

A key element is to offer a variety of residential options. If there is not a stable residential foundation downtown, the community gets very dependent on the state of the economy. When the economy gets tough, non-residents stop coming to bars and restaurants. This is less likely to happen if they live nearby. A major

residential presence downtown is the fourth leg of the stool. It really keeps the community from swinging back and forth with the economy.

A bonanza for a downtown is a major presence by a university. Universities actually do better than most in down economies, which creates more stability. Of course, the other great thing about having a university or college downtown is that they provide a lot of intellectual capital and often turn out entrepreneurs. Pensacola, like many other communities, does not have that. However, we keep trying.

I learned a lot from Jim Clifton, and we will talk about all of these insights in more detail throughout the book. One thing's for sure, though: Meeting him was a pivotal coincidence in a whole string of them. In this journey, timing was everything. Certain people, places, and events just came together at the right time. Looking back, I can see how all the pieces fit together, and meeting Jim at that particular time was a seminal moment.

The Wheels Start Turning

Jim really got me thinking about how communities are developed and really paying attention to the cities and towns I traveled to. I had been spending a lot of time on the road and of course had experienced many communities. Some were much more vibrant than others. I was in two or three different cities every week, and I'd certainly noticed that some were a lot more fun to be in than others. Some had a lot of great restaurants, a lot of things to do, and a feeling of energy. Others seemed to roll up the streets at night. But until I met Jim, I had not put much thought into why.

So while I didn't quite realize it at the time, a lot of different circumstances were coming together. If you are reading this book, maybe this is happening to you, too. Anyway, my mind was racing. I had really started thinking about the possibilities for Pensacola.

Upon getting back to Gulf Breeze, I called Randy Hammer. At the time, Randy was the editor of the *Pensacola News Journal*. He was aware of the conversations we were having about developing downtown and was very interested in my meeting with Jim Clifton. I sent him the material Jim had given me. He read it and said, "We need to bring Jim Clifton to Pensacola to do a presentation on

how to grow a community.” He also said, “You need to connect with Dr. Ken Ford; he is interested in this as well.”

Dr. Ford is founder and CEO of the Florida Institute for Human & Machine Cognition (IHMC)—a not-for-profit research institute affiliated with the State University System of Florida that studies robotics, artificial intelligence, and other areas of technology—which was doing a monthly series of community lectures. I spoke to him about bringing Jim Clifton to Pensacola to speak. Ken wanted to make our downtown better because it was a challenge to attract talent for IHMC. The type of talent he needed to recruit liked being able to work, live, and play downtown. So we ended up booking Jim in advance for the November 2004 lecture.

This talent issue had really caught my attention. It suddenly seemed very clear that a vibrant downtown could have a huge effect on Pensacola’s business community, economy in general, and our quality of life. I really value expertise and was interested in learning who might be able to help us. Ken suggested calling Ray Gindroz, co-founder of a company out of Pittsburgh called Urban Design Associates. Ken had brought Ray to Pensacola earlier and had some thoughts on revitalization.

A Hurricane Levels Our Plans (Or Does It?)

A vibrant Pensacola didn’t seem like just an idea anymore. It felt like something that could happen, and was, in fact, already happening in some small ways. And then disaster struck. On September 16, 2004, Hurricane Ivan roared through Pensacola.

The hurricane caused major damage. Roads, bridges, and commercial and residential buildings were destroyed. Everywhere you looked you saw blue tarps on roofs, and many residences had been completely destroyed. FEMA trailers were everywhere. Because a local sewage treatment plant had overflowed, raw sewage had encroached into homes and businesses.

All of this led to a major rebuilding challenge for northwest Florida. Suddenly, just as we were on the cusp of change, everyone’s life was thrown topsy-turvy and—just like that—we were back to food, clothing, and shelter. People were in survival mode, literally, and they desperately wanted life to just get back to normal.

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As you can imagine, this set things back. The revitalization plans had come to a sudden halt.

Shortly after the hurricane, a group of community leaders came together to discuss the rebuilding process. This group, which I was not a member of, researched what other communities had done after such a catastrophe. It turned out that in addition to finding people places to live, filing insurance claims, getting roads and bridges open, etc., others had used their situation to launch a large community project. For example, the city of Homestead had done this back in 1992 in the aftermath of Hurricane Andrew. The idea is that such a project serves as evidence that a community is overcoming the challenge and moving forward. Some people from the strategic planning committee were at this meeting and started thinking that our project (the one that was on pause at the moment) might be the kind of thing that could bring the community together, and the time might be right to launch.

So all these things started coming together. We realized that the hurricane had not stopped the plans after all. It was not a roadblock but an opportunity. In fact, it had become the springboard for bringing big, real, meaningful change to Pensacola. The time was right to make it all happen.

A Waterfront Park Is Born

During these hurricane meetings, it came up that there had been a discussion about an office building and a stadium for the Pelicans but we were having trouble finding the right property. At the same time, someone mentioned that Vice Admiral Jack Fetterman, who was president and CEO of the Naval Aviation Museum Foundation and a well-respected member of the community, was also working on a project. He had an idea for creating a downtown maritime museum to highlight the area's rich maritime history. He felt with an additional attraction many of the 700,000 National Naval Aviation Museum visitors would stay an additional night and this would help Pensacola. We both made presentations to the group, and it was suggested that our projects complemented each other and that we should find a way to partner.

As it happened, Admiral Fetterman and I decided to combine the projects. We reconstituted the old workgroup. We also brought in Mayor Emeritus Vince J. Whibbs Sr., who was another community icon, and Dr. John Cavanaugh, the

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president of the University of West Florida. Dr. Cavanaugh wanted to bring the school's history, marine biology, and archeology departments onsite as well. The idea was that having the university there would help attract matching funds to help build the maritime museum. Tom Bonfield was very excited about the possibility. He also stated it was vital that private citizens lead this effort, because the government had led a recent effort to build a new auditorium, but the city council's approval was overturned by a citizen referendum after site preparation had already begun. So he really pushed the fact that he supported it, but private people would have to lead it.

As we started talking about a location for the project, Jack suggested a waterfront piece of property called Trillium, which the city had purchased in 2000 for \$3.63 million. This 27.5-acre parcel of land had served as a fuel terminal in the past but had sat vacant for more than ten years. It was overgrown and contaminated. The soil would need to be cleaned up before anything could be built there.

I was skeptical about this idea. The fact that the soil needed remediation was only part of the problem. A few years earlier, the city had approved a \$40-million project for the site that included an auditorium and a park, but a referendum led by Councilman Marty Donovan (the sole dissenting city council member) had overturned the vote in 2003. I was nervous about taking on the controversy, but the Admiral wasn't afraid of anything, so off we went.

This was early 2005. At the time, the country was financially strong, but not Pensacola. Tax dollars had been flat. Now, I wanted to do a gut check: *Did this project make sense? Would it be financially worth it for the city? Would it really increase private downtown investment?* I wanted to dig deeper. I remembered Dr. Ford suggesting Ray Gindroz, the urban planner from Pittsburgh. A group of us flew to Pittsburgh to meet with him. It was valuable for he had recently worked in the city. After looking over the city maps and financials and hearing our description of the project, Gindroz started sharing what he had seen in other cities. He was very positive about the project. In talking with him, he also shared other tactics for creating a vibrant downtown, including slowing traffic downtown, making the city more walkable, and building foot traffic, etc. He was a wealth of information.

When we came back from Pittsburgh, the preliminary project plans, including financing, were put in place. The proposed Community Maritime Park would

include a stadium (which would also be a venue for other community events) and a maritime museum. All of this would be built along the Pensacola Bay's edge.

At a cost of \$70.7 million, this would be the largest public-private partnership in Pensacola's history. Of the total amount, \$29.1 million could come from the private sector. Here is where the private sector funding would come from: Rishy and I committed \$15 million to the project and Jack promised to raise \$12.8 million for the maritime museum. The rest of the private sector funding would come from commercial leases. That left \$41.6 million to be funded by the public through city bond financing, state grants, and the New Markets Tax Credit Program. The existing dedicated tax revenue from the Community Redevelopment Agency (CRA), which governed the downtown tax increment financing (TIF) district, as well as anticipated growth in tax revenues within the district would be the ancillary generator of funds to pay off the bonds.

Our project team started pitching the city council in late 2004. We had the support of City Manager Tom Bonfield and city CFO Dick Barker, and the next step was the city council. We met individually with each council member and shared the research and project details. When the city council finally voted, it passed 8 to 1. Everyone was in favor except for one person, Councilman Marty Donovan.

Trials and Tragedies

The fact that Marty Donovan wasn't supportive was not a surprise, as he had helped defeat the previous proposal for the Trillium site. In fact, he got that group revved up again, and they began fighting this one, too. He collected signatures and forced a referendum to try to overturn the city council's vote. This process took nearly a year and it was an extremely difficult time. Emotions ran high, both pro and con. Although the *Pensacola News Journal* and the *Independent News* ran major stories on what we were trying to do—and a lot of feedback to them was quite favorable—the opposition was also fierce. We learned just how difficult it is to move projects forward. But this time the results would be different.

We brought in Bruce Barcelo, a public opinion research specialist. We felt it was important to have good, objective data. In situations like this, it's not uncommon for people to generalize, exaggerate, over-emphasize, or sometimes even misrepresent or be confused as to what the community members really want.

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Bruce helped us make sense of what the numbers were really saying. He was instrumental in collecting data about what people really wanted and he helped us figure out what the issues really were for the community. He came back to us with critical information like “people want access to water” or “people want their children to stay home.” This helped shape the plan.

During this long process, we brought Ray Gindroz of Urban Design Associates to town to facilitate many community input sessions and to help educate people on such projects. He and his staff led several focus groups. While most people liked the idea of taking unusable land and making it accessible, the idea of a downtown stadium was what resonated with them pro and con. (The museum was not part of the vote since it was to be completely privately funded, as was the office building.)

We also used that time with Ray to learn more about city development. He shared many things that are in this book as well as other lessons learned. For example, he said that every downtown needed a great intersection, and we did not have one. He also reinforced that the key is to have fewer traffic lanes, not more, and to slow down traffic. Furthermore, he explained how downtowns die. He said that when malls open, many downtowns lose retailers. In those empty downtown spaces come tenants who may have paid rent, but do not create foot traffic. Therefore, other retailers leave. This creates a death spiral. Those lessons from Ray are a major part of this book.

It became clear the Community Maritime Park would help, but it would not be enough. Downtown needed to be revitalized, and that meant more programming.

As this was taking place, I stayed in touch with Randy Hammer. He was now the CEO of the newspaper in Asheville, NC, and he invited our workgroup to make a visit to benchmark the progress of his new hometown. When we arrived, I quickly became overwhelmed and maybe somewhat depressed. Downtown Asheville was amazing. What I saw was so great I could not fathom us ever achieving a downtown like that.

We were fortunate to get the perspective of several of the people who had been intimately involved in revitalizing downtown Asheville, including Rick Lutovsky, CEO at the time of the Asheville Area Chamber of Commerce, and Pat Whalen, president of Public Interest Projects Inc. We also spent some time with

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Chuck Tessier, a commercial real estate developer, and his wife, Karen, who owned Market Connections, a marketing and public relations company in Asheville.

Thankfully they showed us lots of before pictures from the 1980s, which looked much like Pensacola did in the early 2000s: lots of empty buildings. They encouraged us and shared tactics very similar to those we had heard about from Jim Clifton and Ray Gindroz.

One of the key components of Asheville's success was their investment in small businesses and start-ups. Greg Walker Wilson, who at the time was CEO of Mountain BizWorks, a not-for-profit community development organization that helps fund, seed, and grow small businesses, explained how they systematically funded and mentored small businesses. They not only helped them get off the ground, but helped them grow and stay healthy. (Wilson has gone on to start his own consulting firm.)

We learned so much from this visit. Asheville gave us a chance to really experience a vibrant downtown.

There were a few other cities we benchmarked as well: Charleston, SC; Greenville, SC; Savannah, GA; Beloit, WI; and Portland, ME. These cities have been so helpful to Pensacola on our journey, and we're indebted to them. This is why we love hosting visitors who can learn from us.

During this time, sadly, Admiral Fetterman became ill. He passed away on March 24, 2006. The leadership baton was passed to former Mayor Whibbs. And just two months later, the mayor suffered a heart attack and died in his home.

Between the losses of these two visionaries and the struggle to get our proposal passed, this was a really painful time. I was learning a huge lesson in how politics work. This was going to take a lot of time, lots of money, and thick skin. By now, it was more than a park project. It was whether Pensacola was going to remain stuck as a city of potential or if that potential was going to be maximized.

One of the things that kept us going was watching the engagement level of a few of the community groups. The Pensacola Young Professionals (PYP) played a big role. This was a group of young people who got together and got super-involved in the process. They felt like they had a big stake in the outcomes. We were also inspired by how engaged our minority community was in the process. Juanita Scott, Audra Carter, Leroy Williams, Lumon May, and his brother, Lu-Timothy, worked nonstop in getting the minority community involved.

For both of these groups, their role was critical, as they were instrumental in getting people engaged. They walked the streets, pounded the pavement, and got the message out. They all spent countless hours educating people about the issues, answering questions, and getting people out to the polls to actually vote.

They have always cared deeply about the community, and this just further ignited their passion. They were inspired to see that they could really make a difference and that things were starting to happen. Ten years later a lot of these PYP people are community activists and are running their own businesses. So their experience with PYP set the stage for other projects. Lumon May went on to become one of the five elected commissioners for Escambia County.

Finally, the Referendum Passes

On September 5, 2006, after a long, hard battle, the referendum for the Vince J. Whibbs Sr. Community Maritime Park came to be. In the end, 9,842 approved the park (56 percent) and 7,701 voted no (44 percent). Of the 37,555 eligible voters, 17,500 cast ballots, a 46.6 percent turnout.

This was a defining moment in Pensacola's history. When one looks at Charleston, they will share that the development of the waterfront park was their defining moment. In Montgomery, they say it's when they put a ballpark on the river. This was to be our defining moment.

What won it was not baseball, but the idea that a vibrant community would keep their kids at home. It was a sign that maybe their children would not have to leave town, and children and grandchildren who had already moved away might come back. This was the message we kept at the forefront of all of our conversations with the community. It was the *why* behind everything we proposed and everything they voted for.

Creating a vibrant community is like throwing pebbles in a pond. While each pebble may not make a big splash, each one impacts the water, which creates ripples, which creates more ripples, which changes the pond. All are connected. So too are many actions in a community.

So after the referendum passed, the city created a community board to oversee the project, and the massive task of clearing away the toxic soil from the Trillium site began.

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As this was evolving, the University of West Florida was reconsidering its part in the project. With Jack Fetterman's passing, the yeoman's work was being done by his widow, Nancy Fetterman, and many others. Dr. John Cavanaugh, the university president who was initially involved in the project, had left for another position. Dr. Judith Bense, the new university president, felt that while the money was there to build the maritime museum, sustaining it operationally might not be in the best interest of fiscal stewardship. It turned out that the state matching funds the university had been counting on were not available after all. By then, the onset of the Great Recession had gutted state revenues. So she decided not to move ahead with the museum.

I have come to understand and respect that decision more and more each year. I think it was a wise one. Too many times projects are built because the money is there for the building phase yet they struggle because they are not able to operate financially without large subsidies. UWF made the right call for them at the time.

Revitalizing 27 acres of contaminated soil and preparing to build a stadium takes a long time. Also, there were various obstacles and delays. As a result, the stadium that was supposed to open in 2009 didn't open until 2012.

Enter the Blue Wahoos

In December 2010, Rishy and I purchased a Double-A affiliated baseball team. The team was the Carolina Mudcats, located in Zebulon, NC. It's very hard to purchase a team that can be relocated due to lease issues. The Zebulon lease called for the owners of the Mudcats to make sure an affiliated team was there. So to move the Mudcats, a replacement team needed to be found for them. Steve Bryant, from whom I purchased the Mudcats, led a group to purchase a Single-A team that kept the Mudcats name, which could be moved to Zebulon. This freed up the Double-A franchise, so the Double-A team could move to Pensacola. This process was very hard. For Pensacola, this was a big win. It brought more credibility to the park and a 70-game schedule versus 48 (independent team), as well as a jolt of self-esteem for the community. Please don't think a stadium or a baseball team is a must. It is different for each community. What is a must are actions that bring lots of people downtown.

Sports and other community events are not only great economic drivers for development, they also bring the community together in neat ways. It can become a vehicle for citizens to strike up a conversation with the person next to them. It can serve as common ground for people of all walks of life to get to know each other. It truly helps build a sense of community and gives people a chance to connect.

With the park project well underway, we continued to think about everything we'd learned from Jim Clifton, Ray Gindroz, and Asheville. Our real goal was not to build a park but to increase tax revenue in the Escambia County Community Redevelopment Agency and to revitalize a downtown to attract and keep talent in the area. And so we kept the ball rolling. The more we learned, the more determined we were.

Sizing Up Downtown

We began putting a lot of energy into working on downtown Pensacola, particularly its main street, Palafox. While there were bars and restaurants, jewelers and art galleries, and a few retail spots, there were too many vacant storefronts and few good places to hang around on certain nights. Many of the streets were deserted on weekends. On a scale of 1 to 10, I believe most would have rated our downtown a 4 or 5.

While downtown Pensacola had much to be desired, there was also much to build on. The Davis, Elebash, and Meadows families still had their jewelry stores downtown. Now they've been joined by Susan Campbell Jewelry. A bit further south on Palafox there was Don Alans clothing store. Off Palafox was a lively entertainment spot called Seville Quarter as well as a historic district. Pensacola is fortunate to have a symphony, a chorus, a ballet, and an opera, as well as two theatres (Saenger Theatre and Pensacola Little Theatre). The Merrill family had opened Jackson's Steakhouse, and there was the Global Grill restaurant, as well as the bars New York Nick's and Intermission.

These were some of the bright spots. I would be remiss not to mention a few trailblazers. Deborah Dunlap and Clark Thompson were working hard to keep downtown Pensacola alive. Deborah had purchased some buildings and did a great job getting them to look great. Clark kept the existing office space active as

best he could. Ray Russenberger had also invested farther south on Palafox near the water. So, building on the dedication of these folks, we went to work.

To demonstrate our commitment to downtown, Rishy and I purchased a large office building of around 44,000 square feet, the Rhodes Building, and did some minor remodeling. While it was located a bit farther north on Palafox than we would have preferred, it was important to show our confidence in downtown. Since then, a young mover and shaker, Chad Henderson, who owns a company called Catalyst HRE, has purchased the building and moved their corporate headquarters to the top floor. This is one of those great companies that brings revenue from outside the area but is invested in people and facilities here.

Working Toward a More Inclusive Pensacola

Rishy and I went to an event called the Goombay Festival located in what at the time was the center of the historic black district. It is the intersection of Belmont and DeVilliers. While at one time this had been a busy place, it was now facing major struggles. The festival was a group attempt to grow interest in the neighborhood, which is an example of Jim Clifton's programming story come to life.

On one corner was a vacant two-story building in desperate need of repair. The last store there was Gussie's Record Shop. Across the street was a three-story office building with very few tenants. On the third corner was a bottle club, which is where people come to keep drinking after the bars close. On the fourth corner was a large building that had multiple uses over the years.

Rishy noticed the empty building that was the record shop. We could see loose bricks at the top of the building and were worried they would fall and hurt someone. We also have a fondness for old buildings, and this one reminded us of Chicago, where we had once lived. Remembering our Asheville trip, we thought about renovating the building, helping a start-up, and focusing on inclusion. Our research had shown that Pensacola had a real shortage of minority-owned businesses. So, this project could give us a chance to achieve multiple goals.

First, we bought the building. We got in touch with a contractor we had used before called Napier Inc. and asked them to partner with a minority-owned contractor called May's Construction (owned by Lumon May), with a focus on minority workers on the project. We then looked for a minority chef who wanted

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to open a restaurant. We found a man named Cecil Johnson, who owned a very small restaurant in another part of town. We visited him and shared the idea of a restaurant on the corner of Belmont and DeVilliers.

One of the things we learned from Asheville was that start-ups need more than space; they might also need a little help. To make it work, we put into place some Asheville lessons. We purchased all the equipment, renovated the building (including two upstairs apartments), and created a lease with rent that moved up and down based on revenue. Cecil opened Five Sisters Blues Café, named after his sisters' recipes. Due to his hard work and great food, the place was an instant hit. More people came to that area.

After five years Cecil was ready to retire. We purchased the restaurant business from him and sold it to another local minority owner, Jean Pierre N'Dione. It continues today and has helped rebirth the neighborhood.

We have learned that once an investment is made, what takes place around it is key. Pensacola has vague zoning regulations—they don't spell out where retail stores go, where entertainment establishments go, or where restaurants go the way many vibrant communities do. We wanted to take steps to protect our investment. One solution is to partner with someone who owns adjacent property, so you can better manage the growth. So a few years after Five Sisters was up and running, we purchased the office building across the street. Eddie Todd Jr., an architect and a real leader in the community, owned some land next to the building. He agreed to combine his lots into the project to create a partnership called DeVilliers Square.

The inside was upgraded, as well as the lighted parking lot. Today the building is full. Driving into the neighborhood, you will see a flurry of residential units being built. There are also a few retail shops with more to come as well as the famous Blue Dot hamburger joint, a long-time Pensacola staple.

We learned once programs are in place to bring people to the area, then retail will come, then entertainment will come, then office space will come, then residential will come. That's what happened at Belmont and DeVilliers, and it started to thrive.

One Great Intersection

As Ray Gindroz mentioned, every great city needs a great intersection, and Pensacola didn't have one. There was an intersection at Palafox and Garden that was a possibility, but Ray said it wasn't the best choice. The road had four lanes, and there was a big median, so it just wasn't right. He had also taught us about traffic patterns and said the idea is to slow down traffic, not speed it up.

He drew attention to the intersection at Palafox and Main. At the time, it had two empty lots and two buildings that had been vacant a long time. It soon became clear that this needed to be the focus for creating a great intersection.

As we were thinking about all this, Rishy and I were driving through the Palafox and Main intersection and began to pay attention to the two empty buildings. Rishy had been to North Carolina and had seen an olive oil store she just loved. She thought it would be neat to have an olive oil store in downtown Pensacola and she realized this was the perfect spot for the store. So we bought one of these buildings, renovated it, and opened a store called the Bodacious Olive. Later Rishy added a coffee shop beside it and a kitchen store upstairs that offered cooking classes. Eventually she added So Chopped Salad Bar & Bistro.

As the remodeling was being done, other vacant spots began to fill. We were looking for the perfect tenant, so we decided to hold a contest called the Pensacola Business Challenge. The winner turned out to be MariCarmen Josephs, a young restaurant manager and chef. She ended up opening Carmen's Lunch Bar, which at the time I write this has just celebrated five years in business.

You can read more about the business challenge in The Titans of Revitalization chapter. Again, it's based on an idea we learned in Asheville and has succeeded far beyond our expectations. In fact, it resulted in several other businesses getting started as well. (The same idea worked well in Janesville, WI.)

As all of this was taking place, the two lots on the south corner became active. Some very innovative people created Al Fresco, which is basically an outdoor dining hotspot with five Airstream food trailers that serve everything from oysters to tacos to chicken & waffles to barbecue. This led to other available spaces being filled with food venues as well. Deshi, a nail salon; Volume ONE, a hair salon; and Fiore of Pensacola, a florist, went into other renovated buildings. A bank from outside the city limits built a brand-new historically themed building on the

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other corner and renamed itself the Bank of Pensacola. The downtown Saenger Theatre got a major renovation.

Going west on Main Street, Rishy opened the Bodacious Brew Thru drive-thru coffee shop with its early childhood learning playground outside. (You can read more about this in the Focus on Education chapter.) East of the bank on Main Street is a brand-new Holiday Inn Express.

The Downtown Improvement Board, a local merchants association, did a terrific job with bringing programming (and people) downtown. They started a farmers market on Palafox Street that is now held every Saturday. They sponsored all kinds of events downtown like Gallery Night and various festivals, including a variety of holiday activities. They started a First City Lights Festival for the holidays to help drive traffic to bars and restaurants in the off-season. They were also very valuable in getting things started that could then be transferred to others in the community (like a New Year's Eve event and downtown trick or treating). They helped with parking logistics and managed a lot of the critical details for keeping things running smoothly. They were doing the kind of things Jim Clifton had talked about, and it was working. They are terrific ambassadors and have been incredibly engaged in the process.

Palafox Street hadn't quite taken off yet, but it was getting ready. With the work on the park and the stadium gearing up, there seemed to be more positive energy being generated. That energy attracted some social and entertainment hotspots. Joe Abston started Hopjacks and The Tin Cow, two very popular restaurants. Scott Zepp came in with World of Beer.

From there, what had been predicted was coming to life. As energy builds, major investors come in and smaller entrepreneurs will follow. And that's what happened.

Evan and Harry Levin took a vacant Masonic temple on the corner of Palafox and Garden to create the music venue Vinyl Music Hall. (We had learned from Asheville that it's important to have a music place to bring young people downtown.) Then Katie Garrett opened the Old Hickory Whiskey Bar. Other storefronts on Palafox were being filled by retail spots.

Ray Gindroz was right: Every city needs a great intersection. Palafox and Main, which was filled with empty lots and vacant buildings in the late 2000s, is

alive and busy today. We're seeing an explosion of the community, and this intersection is at the center of it all.

Meanwhile, Back at the Waterfront Park...

While all this development was taking place downtown, things were moving along at the Vince J. Whibbs Sr. Community Maritime Park. It was behind schedule, but making progress.

The original plan was that Studer Group® would rent about 20,000 square feet of what would be a 60,000-square-foot office building. We were unsure of who would lease the rest of the space. There had not been a Class-A office built in this area in 30 years. Over the years I've learned that often people cannot visualize a project until they can see it beyond being on paper. Once it started to come together, the demand was a lot greater than originally anticipated, and the project was expanded. What was supposed to be a \$12-million, 60,000-square-foot private office building ended up being a \$16-million, 77,000-square-foot building, with a total leasable space of 66,468 square feet. It was originally supposed to be a three-story building, but a fourth story had to be added. To everyone's surprise and delight, it filled up quickly. Studer Group ended up needing more than 30,000 square feet. EmCare, a physician staffing company for emergency rooms, took more than 28,000 square feet, and Moore, Hill & Westmoreland, PA, a law firm, leased nearly 5,400 square feet.

This building is a prime example that vertical growth pays for urban sprawl. If an 80,000-square-foot building goes up four stories, it takes up close to the same amount of green space that a single story 20,000-square-foot building would. It pays more than \$200,000 in property tax, whereas a one-story building would have created only one-third of that amount in taxes. Some cities insist on restrictions, but height is good for the tax base and the environment.

On another Community Maritime Park parcel right across the street from the Maritime Place office building, Beck Partners, a real estate insurance company, built a 25,000-square-foot office/retail building. This also added to the tax base.

Wahoos Hit the Field

The Pensacola Blue Wahoos (the Double-A team moved from North Carolina), which were named by the community, have an engaged fan base. Though

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the Wahoos didn't hit the field until April 2012, by early January of that year, Wahoos fans had bought 2,320 season tickets, and outfield signs and scoreboard advertising were sold out.

By the time the Wahoos played their first game in 2012, excitement was at a fever pitch. The Navy's Blue Angels flight team, based in Pensacola, made a flyover timed with the first pitch. The first season drew more than 320,000 fans. Since then, the Blue Wahoos have drawn over 300,000 fans per year to Pensacola.

The Blue Wahoos have created a wonderful fan experience and have won multiple awards over the years. Not only is there a highly engaged fan base, but there are also engaged employees totally dedicated to excellence.

The first year they were eligible, the Wahoos won the coveted Bob Freitas Award for being the best overall franchise among the 30 affiliates at this level. To be eligible, you have to have been a franchise for at least five years, and the award honors franchises at the minor league levels for their overall achievements in community service, fan appreciation, impact in a region, and other aspects. The Blue Wahoos are considered a model franchise in the baseball world, not just in Double-A, but throughout all levels of the sport.

In 2016, the Wahoos also won the Southern League Community Service Award. Giving back to the community is at the heart of our organization.

The programming of downtown worked. In a team effort, many successfully created programs brought lots of people downtown on a regular basis. The park has become a central point for many activities. The stadium hosts the University of West Florida football team, youth football, and many, many other events in addition to Wahoos baseball.

Not only did the park draw people downtown for food, entertainment, and retail, it had proven to be a good ancillary generator of tax revenue. Since the stadium opened, the taxable property value in the Community Redevelopment Agency (CRA) has gone from \$675 million to \$850 million, an increase of 25.9 percent. The original plan to create a park to revitalize the city to increase tax dollars is working well.

The YMCA Moves Downtown

One night at a baseball game, Harold Dawson Jr., owner of The Dawson Company out of Atlanta, who oversees construction of some of our projects, looked at the empty parcel where the museum was originally supposed to be. He asked me if we had a YMCA in Pensacola. I said yes, it was just north of downtown and very old. He suggested that if we put a new YMCA on that parcel, it would be an important amenity for Pensacola and would be a catalyst for other investments.

So we gave this some thought and decided we should build a new YMCA for Pensacola. This is where philanthropy comes into the story. We are fortunate enough to have some very generous families in our community: the Levin family, the Bear family, and the Switzer family. They all came in between \$500,000 and \$1 million, and Rishy and I donated the land and contributed \$5 million. Between the four families, we were able to get a great start on fundraising for the new YMCA.

Sadly, city politics stopped us from building the Y on the waterfront park parcel. However, the *Pensacola News Journal* had a large building on a block and a half of land for sale that had been on the market for some time. Because of the nature of the newspaper business, they had significantly downsized offices. It was on a 5-acre lot, which we were able to purchase. We gave one acre of the land to build the YMCA. The old *Pensacola News Journal* offices and printing press building were demolished.

The new Y sits one block east of Palafox, just north of Seville Quarter. Having a brand-new YMCA located in the central part of downtown was a big win for the downtown revitalization project. It creates a lot of activity and foot traffic for downtown businesses. The new Y is also considerably more successful, averaging more than twice as many individual visits per day as well as more than twice as many monthly members. Fitness is just one of the advantages. There is also a second wave of benefits. The Y provides many things for the community, like afterschool child care for working families, swimming lessons, and a gathering place for events. When the Y is more successful, it can support more things in the community, and that's a win for everyone.

<p>January 2016 Old Downtown YMCA</p>	<p>January 2017 The Bear Levin Studer Family YMCA</p>
<p>3,480 members</p>	<p>7,987 members</p>
<p>12,904 visits</p>	<p>33,344 visits</p>
<p>430 avg. visits per day</p>	<p>1,075 avg. visits per day</p>

Residential Rounds It Out

With the remaining four acres from the *Pensacola News Journal* property, sights were set on phase four of a vibrant downtown, which was residential. (As a reminder, there were four phases to building a vibrant downtown. They included programming, restaurants/shops/retail, office, and residential.) Southtowne—a new \$52-million 258-unit apartment building with retail space—is the largest residential project ever built in Pensacola. This means we now have hundreds of people moving into downtown Pensacola. This will give the downtown businesses the continuity and stability they need if the economy fluctuates.

Across the street from Southtowne, next to the YMCA, there is a new \$14.4-million mixed-use building, which will include both office space and retail. Clark Partington, a law firm based in Pensacola, will take the top two floors, and retail will take ground-level space, which is the perfect formula for creating foot traffic downtown.

One of the great things about this is that the infrastructure was already there. This means Pensacola gained over \$80 million of investment without having to build new roads and incur other new infrastructure costs. Maximizing existing infrastructure is key to creating a solvent city.

We are now experiencing “street thickening.” This happens when your main street gets full, and people want to be close to it, but there’s no space so they go to the side streets.

As the YMCA began and Southtowne was announced, another major difference-maker made a large investment on the corner of Palafox and Garden—the historic Brent Block. The Switzer brothers, whose relatives owned the building

decades ago, have purchased it and are far along in a \$15-million renovation. It includes annex workspace, a niche hotel, retail businesses, and so on.

In reviewing these steps taken in Pensacola—and we'll talk more about them as we move through this book—it has happened one block at a time. What we've learned is if you spread out development too much, you don't get the infill between the areas. So we started on the corner of Palafox and Main and focused our development in that little circle. Then we got a hotel over there, apartment buildings over here, an office building over there.

What happens with circles is that momentum builds and other people start joining in. We focused on building and revitalizing projects in small “circles” that are not too far apart geographically. We would start with one small geographic area and really develop it.

Here's how it works. Once that circle begins to be revitalized, you start working on another circle nearby. Then start developing a third circle. Soon the circles begin to connect and grow together. As more and more businesses move into these areas, you'll start to get infill between them. It's amazing how this works. Before you know it, what once may have been a dying street has become a busy, vibrant one.

A Few More Words About What You'll Learn

The building investments you see are only a fraction of what is really happening in Pensacola. A lot is going on behind the scenes. For example, to support the many new businesses that are springing up, we've taken a lot of action in training and development. This is needed because, while it's important for a community to make it easy to start a new business, it's just as important to help new business owners be successful long term. This is described later in the book.

There is more civic engagement. While the referendum was hard, it got a lot of people thinking about the kind of community they want to have. People are more connected than ever, both to the community and to each other. This sets the stage for future growth and improvement.

To create a vibrant community, the community has got to get the wealth off the sidelines. Early on, there is not a great financial return on investment, so engaging people who have the resources is key. You've got to get people willing to

invest in downtown and donate money for projects based on their desire to improve the quality of life for others. The ROI is a better community.

When people who have not been to Pensacola in many years come to Pensacola, they are amazed at the change. The feeling is different. In 2013, Palafox Street was named one of the “Ten Great Streets in America” by the American Planning Association, as part of their national program, Great Places in America. Also, downtown Pensacola was named the 2017 Great Places of Florida People’s Choice Winner, following a poll administered by the American Planning Association of Florida. And in 2018 *National Geographic Traveler* magazine named Pensacola in a story celebrating urban renewal, great main streets, and smart development policies.

Food & Wine recently did a feature titled “Wait—Since When Is Pensacola a Thing?” (I loved that they talked about Justine Gudmundson-McCain “returning home” to start her own Palafox Place business, Bluejay’s Bakery. This is exactly how we want young people to think of Pensacola.)

While these accolades are nice to have, it’s even more important that all the community efforts did in fact create economic growth and community solvency. We talked about this earlier, but it bears repeating. In the last five years, the Community Redevelopment Agency (CRA), went from an assessed property value of \$675 million to \$850 million, which equates to a 25.9 percent growth. Also, there are projects worth \$100 million being built right now that don’t even count toward this total. This is the kind of smart growth communities need to shore up their tax base. When making decisions about what to do in your own community, be sure to connect the efforts to economic growth.

First-time visitors react much like we did when we visited Asheville, NC, Charleston, SC, Savannah, GA, or Portland, ME. They think, *We could never do this*. But we found out that they can. There is a blueprint we’ve put together that is a combination of everyone we have learned from combined with my work over the years in change management and creating high-performing organizations. That blueprint is this book.

Just remember as you read: Relate; don’t compare. Every community is different and has unique needs. A stadium might not be right for you. Still, the hope is you will be able to take the ideas and lessons presented here and apply them to your community in a way that makes sense for you. And remember, none of this

happens overnight. What you've read about here took place over the span of more than a decade and is still unfolding.

So that's a little of the story. People come downtown and they like it, but what has happened here is much more than that. When we did our polling early on, people talked about wanting land cleared and access to water. But the number-one thing people told us over and over is they wanted a community where their children would have the opportunity to stay. They said we were losing too much talent. They said they understand that their child might move because they *want* to move but they don't want their child to *have* to move because there are no opportunities here.

What we've really seen is that creating a vibrant community is about improving the quality of life for the citizens who live there. And that means that now people can have their children and their grandchildren closer to them. Not a week goes by that someone doesn't come up and tell me that their kids are moving back home because of what's happening now in Pensacola. And that's really the gift.

You'll read in this book how we've created dashboards, you'll read about the quality of life survey, and you'll read about what we've done in response to things we've measured. You'll read about what we did with education and what we did with scholarships. You'll read about successes, about things that went as planned, and about some failures. That's why building a vibrant community is pretty difficult—because no one goes through it undefeated. However, there are probably few things in anyone's life that are as rewarding as building a community where children and grandchildren can stay home and feel like they live in a great community.

We are still on this journey. There are still exciting wins, and there are still disappointments. There are days when one wonders if it's worth it. However, when you see children not leaving, when you see children and grandchildren coming back home, when you see new businesses starting and growing, and when you see an increased focus on education and a better quality of life for all, you will know the answer is *yes*.

Creating a vibrant community is like throwing pebbles in a pond. While each pebble may not make a big splash, each one impacts the water, which creates ripples, which creates more ripples, which changes the pond. All are connected.

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So too are many actions in a community. We are all pebbles in the pond of life. Don't underestimate the difference you can and do make.