

# South Florida **BUSINESS JOURNAL**

## **Florida on South Florida: Housing bust created opportunities**

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Richard Florida, a best-selling author and economic development theorist, says South Florida needs to diversify economically, focus on education and deal with sprawl if it wants to move forward.

Florida is known for *The Rise of the Creative Class*, the book in which he promotes the idea that creative thinking and cultural diversity (including a thriving arts scene) are the key ingredients to making economies function best. Now the director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, Florida published a new book this year, *The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity*.

Following a Dec. 2 talk at Nova Southeastern University, he offered the Business Journal his ideas about how the region can move forward. The following is an edited account of that conversation.

### **SFBJ: What's the biggest problem facing South Florida?**

Florida: I think it's remaking the economy away from real estate and tourism. Those have been phenomenal engines that have led to great wealth and prosperity, but they've also led to these terrible cycles of boom and bust.

### **SFBJ: What are the greatest assets?**

Florida: With roughly 5.5 million people, the area has a great advantage in being big. In a global economy, size matters. The region is a tremendous

logistics hub, with the seaports, airports and the geography that make it a window on Latin America. Some think that Latin America (especially Brazil) is the most important growth of our time even more important than China. And, you have this enormously diverse population.

**SFBJ: You say schools are critical to sustainable economies. A recent study found that only 17 percent of our population has a bachelors degree and only 10 percent has a graduate degree. Out of 200 metropolitan areas, we ranked 118th in brainpower. There are many pieces to the puzzle, but isn't more significant public investment a major key?**

Florida: Yes. Education has to be the No. 1 priority. This states economy was built on real estate, tourism and agriculture, so it is coming at this issue now. But, the universities you have are a good infrastructure on which to build, and maybe there's an opportunity to reinvent the system. Maybe you can have more open universities that are less bureaucratic and willing to deliver education in ways that more traditional universities cant.

When you look at what's limiting investment, education is probably it. People say "Traffic is bad, the weather is nice, but what about the schools?" I do think the state has to make a serious commitment, and this shouldn't be a partisan issue -- it's an economic development issue. When you look at North Carolina and what distinguished it from the southern states nearby, its the great state university system.

**SFBJ: Sprawl, traffic jams and the loss of productivity are big issues in South Florida.**

Florida: This region has reached the limit of sprawl. A big part of solving the problem is putting people closer to where they work.

I read about how a community development corporation in Miami Beach went out and bought two failed condos to make them affordable housing units for service workers. They're taking that failed asset that was for relatively wealthy people and making it a community asset.

A lot of local people are starting to realize that they can rent empty urban condos relatively cheap. That has infused a lot of life into the Brickell area,

for instance, and put people closer to work and cut down on traffic.

As horrible as the housing bust is, it has created opportunities for innovative solutions.

**SFBJ: What about mass transit?**

Florida: There has to be some kind of fast rail that connects the larger region. One of the things that made this country great was the building of infrastructure. We were the first to build canals, railroads, great telecommunications systems and the interstate highway system. I know people say fast rail is costly and a boondoggle, but I don't think they're looking at the projected future benefits.

**SFBJ: Where do Florida and this region rank, compared to the rest of the country?**

Florida: Florida might not be in the best position in the U.S., but it's by no means in the worst. It was hit hard by the real estate crisis, but don't confuse it with Nevada or Arizona. Florida ranks in the top 10. And, this region of the state is the biggest and the strongest.