

COMMENTARY: MIAMI'S POTENTIAL

Miami needs to tax itself to improve transit and become a more attractive city for business and job seekers, writes attorney Mitchell Bierman. **A5**

OPINION & COMMENTARY

FROM DAILY BUSINESS REVIEW EDITORS & GUESTS

Quality-of-Life Investments Yield Economic Development Gains

Commentary by
Mitchell Bierman

The eMerge Americas conference in Miami Beach highlighted Miami's potential to become a leading world center of innovation and commerce.



Bierman

Cities are driving the exponential development of knowledge, technology and wealth. Moreover, the most talented, educated, productive and motivated people from around the world want to live in great cities.

For at least the last decade, Miami has felt like it is on the cusp of becoming one of the most dynamic and exciting cities in the world. We are building on our unique combination of great location, diversity and history, and Miami is enjoying a new presence in the consciousness of the world, especially the ultra-wealthy who are driving a demand for pricey residential real estate.

But we need to do more. Selling expensive pied-a-terres to jetsetters is simply not a model for a sustainable economy.

Meanwhile, older cities like Denver are reinventing themselves. As the industries that drove their economies in the 19th and 20th centuries have faded, they have repositioned themselves to become the new hot spots of the 21st century, knowledge-based economy. They are attracting talent, investment and intensive innovation and becoming the centers of major "new economy" development that continues to elude South Florida.

Why are new economy entrepreneurs now choosing places like Denver, Seattle and even Pittsburgh, and why do they continue to flock to places like Boston and San Francisco?

A recent New York Times article titled "The Cities on the Sunny Side of the American Economy" offers some relevant observations. The cities that have been most successful in attracting and building robust job markets with the most opportunity at every level have all, like Denver, made the decision to invest in physical, cultural and recreation infrastructure to provide the highest possible quality of life, and they are willing to tax themselves to do it.

Denver took several steps in the last 30 years to ensure its transition from an energy industry-dependent economy to a diverse, entrepreneurial business environment with the lowest unemployment rate (2.7 percent) of any metropolitan area with a population of over 1 million, the newspaper reported.

Denver invested in a comprehensive, multi-modal transit system that is run by an eight-county, independent regional transit authority at a cost of billions of dollars. It is funded in part by a penny sales tax approved by the voters and collected throughout the region. Denver also invested heavily in cultural institutions and public spaces, and it is consistently ranked among the best large cities for quality of life.

CREATIVE MAGNETS

Like Miami, Denver is in an iconic location. It's known for magnificent moun-

tain views and access to world-class outdoor activities. This is certainly an attraction, just as our year-round warm weather, magnificent views and access to ocean activities have always attracted visitors.

But what will distinguish Miami from every other coastal city in Florida, what will attract investors, innovators and entrepreneurs, is an environment rich in culture, stimulation and excitement. And the creative class will never really embrace this community if there are no mobility options other than driving in increasingly horrendous traffic. To compete with Boston, San Francisco, Seattle and Denver, we need to have a functioning rapid transit system that is also safe, reliable and inviting.

Cities with strong transit, culture and public space programs are usually also rated among the most inviting, tolerant and engaged cities. Not surprisingly, these are also the qualities most frequently mentioned by new economy entrepreneurs and skilled workers that they consider in deciding where to locate.

In his remarks at eMerge Americas last month, AOL creator Steve Case noted that three states receive 75 percent of all venture capital investment in the U.S., and Florida is not among them even though it is the third most populous state.

How do states who want to be in that club get in? Case believes that the city has to be a magnet for talent.



Too often we hear that talent leaves Miami for other the above-mentioned cities and others which are perceived to have greater opportunities and a better quality of life. To reverse that trend we need to celebrate the entrepreneurs and figure out what our special sauce is that will attract talent. About 75 years ago, Silicon Valley was an apple orchard, and Detroit was the nation's tech hub.

When the economic dynamic changed, so did the geography.

Mayors who want to succeed recognize that startups are the seed of the future economy and, if we do not invest in

the infrastructure to attract and support them, we will not have a future economy. We know we need to tax ourselves and invest in order to remain competitive.

Thomas Edison said vision without execution is hallucination. We have to act now if we want results.

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