



Finding the Next Nashville

A Conversation With Johns Hopkins University's 21st Century Cities Initiative

For over a decade, Nashville, Tennessee has been one of the fastest growing cities in the country as people and businesses have flocked to “Motor City” to take advantage of its low cost of living, diverse economy, young and educated workforce, proximity to other metro areas and well-run government institutions. Seeking to learn more about the catalysts behind Nashville’s rapid growth, ABR Capital Partners (ABR) partnered with Johns Hopkins University’s urban research hub, 21st Century Cities (JHU), to analyze several factors that may have contributed to the city’s strong growth rate. With the *Finding the Next Nashville* series concluding, ABR decided to sit down with 21st Century Cities Senior Program Manager, Mac McComas and Johns Hopkins University professor, Dr. Luis Quintero for a final discussion on the series.

ABR: First of all, I want to congratulate 21st Century Cities on completing an incredible series. The information you uncovered is extremely enlightening and your reports are essential reading for anyone who is interested in learning about different factors that can influence a city's growth. Now that the series has concluded, I just have a few overarching questions for you.

You looked at a lot of data for this series and I'm wondering, did you come across any information that really stood out to you, surprised you, or supported something you may have suspected, but hadn't seen any data on previously?

ABR: With regards to influencing growth, do you think any one of the factors you looked at carries more weight than the others, are they all equally important, or does their significance vary depending on the city and any innate advantages or disadvantages it has? For example, having warmer weather or no state income tax.

JHU: In our third report, we looked at job sector diversity in cities. One hypothesis I had prior to writing the report was that cities with a high concentration of employment in one job sector were at greater risk of future economic decline. Living and working in Baltimore, the legacy of over-concentration in steel manufacturing has left an indelible mark on the city's economy. In our report, we found that to be true, even beyond Baltimore and beyond the steel industry; over-concentration in any single job sector can put a city at risk of future job losses. When a negative event occurs, cities that do not have a diversified portfolio of economic activity may have a harder time transitioning or recovering. Simply put, diversity matters! Another surprising finding came from the final report in our series, focusing on urban governance. The first issue we explored in that report was the form of urban governance and whether that mattered for urban growth. I went in not expecting to find a difference in urban growth rates and the form of government, but we found quite a large difference, with cities with council-manager governments experiencing growth rates that were almost twice as high as cities with strong mayor governments. Urban policy is key for a healthy city economy, so it made sense that the way we decide and implement those policies may also have important consequences.

JHU: Our second report in the series looked at quality of life in cities, considering factors such as warm weather, access to green space, cost of living and wages, public safety and health, and consumer activities. Taken together, I think some of these quality of life issues are extremely important determinants of urban growth. San Diego and Los Angeles benefit greatly from having excellent weather, beautiful coasts, and access to mountains. Would the same cities transplanted to the Midwest have enjoyed the same growth? I highly doubt it. If New York City and Boston had not been able to reduce their crime rates, would they have experienced the same turnaround? Again, doubtful. As long as we have local economic activity connected to the location of workers, and it seems like we will, even in the presence of remote work for some occupations, the quality of life in a city will be a determinant of how successful firms can be at attracting workers.

ABR: Following up on the last question, what advice would you give public officials who are trying to grow their city's economy and population, without having the same innate benefits or advantages that other cities might have? Again, these benefits might include warm weather, no state income tax, etc.

JHU: Oftentimes, mayors and public officials want to spend lots of money on big flashy projects such as a new sports stadium, a new conference center, or attracting Amazon's HQ2 or some other big business. However, economists warn that these large investments almost never bring the promised economic payoff they claim. Instead, I would advise local governments to focus on getting basic services right, investing in clean, green, and safe cities, and prioritizing high quality investments in young children. This might sound boring, but when, for example, a local government gets trash collection wrong, as seen in New York City in recent years, this can lead to public outcry and businesses threatening to close and leave. Both firms and people want reliable infrastructure that serves as a foundation for their economic interactions. Finally, I would say that cities should not always try to emulate the success of other cities, but find out what their competitive advantage is and invest in that. Cincinnati isn't going to beat San Francisco in becoming the next big tech startup hub, but it has a lot going for it that other cities can't compete with. In the series, we tried to look at a large number of cities and identify factors that they all have in common. And yet, these lessons need to consider local contexts.

ABR: There's some recent literature indicating that migration from cold weather cities to warm weather cities could decrease in the coming years because of changing weather patterns that are being attributed to climate change. There's also the thought that fewer students might attend college in the future because of increasing costs and the U.S.'s declining birthrate. Do you think these occurrences, or other natural or societal changes, such as the aging of the nation's population, will affect the influence of the factors you analyzed, or give greater prominence to other factors that may influence growth?

JHU: Yes, I think that climate change will have a profound impact on our cities. Beyond the fact of changing average temperatures, cities are struggling with the challenges of increased coastal and pluvial flooding, wildfires, extreme heat, indoor and outdoor air pollution, and a variety of other environmental hazards. The degree to which cities can adapt to these challenges and become resilient and sustainable will be important for their future growth. Further, climate change induced migration could see large populations displaced from some cities that will need to move to new cities. Demographic transition has already begun, and as we have learned from Western Europe and Japan, the effects can be detrimental to economic growth. Welcoming national and international migrants can be a strategy for success for cities that have been struggling with historic population loss.

ABR: The title *Finding the Next Nashville* is actually a bit of a misnomer because this series was intended to be more informative than predictive, but even though we didn't ask 21st Century Cities to declare a city "the next Nashville" given all the research you did and data you analyzed, do you believe any cities are uniquely positioned to achieve strong population and job growth in the future?

ABR: Last but not least, what did you enjoy most about working on *Finding the Next Nashville*?

JHU: Acknowledging my own bias here, but I think Baltimore is poised for a bright future. While it was one of the only cities on the East Coast to lose population between 2010 and 2020, the city has a lot going for it and some recent encouraging trends. The city's locational advantage is strong. It is located just 40 miles north of D.C., along the I-95 corridor, with close access to Philadelphia and New York City. Access to jobs and local affordability are factors that attract people and firms, and that is something Baltimore has going for it. The city's coastal location provides it with natural beauty and allows it to be home to the nation's largest roll-on/roll-off ports. It has a unique and funky culture with an excellent food and arts scene, one of the highest shares of historic buildings, and a variety of unique neighborhoods to choose from. In recent years, the city has seen tremendous reductions in violent crime rates, which have held the city back for decades. I think Baltimore is a yet to be discovered gem that could have a really great trajectory if it starts to build off its recent success. People who invest in Baltimore and other undiscovered gems now will have a higher probability of getting big returns in the future.

JHU: It was a really great opportunity to zoom out and take a bird's-eye view of what has been going on in U.S. cities over the past decade or so. Oftentimes, as researchers, we have to focus on a single-issue area or on a single place, with good reason. This series allowed us to take a step back and scan a whole variety of issues, think about what really matters, and see how different cities have changed in recent years. It has also motivated us to consider multiple dimensions in our own research work. Finally, it has served as a great opportunity for data collection at the city level, which we hope to keep and update for future analyses. I really enjoyed taking that broader perspective and learning more about the U.S.'s diverse set of urban areas.

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