



## The Knight Nonprofit Center and Community Resilience

*Contributed by the Gulfport CARRI Team based on interviews conducted in December 2009*

Creation of the John S. and James L. Knight Nonprofit Center (KNPC) in Gulfport, Mississippi, enhances community resilience by increasing the capacity of the region's nonprofit sector. A collaboration of United Way of South Mississippi, Mississippi Gulf Coast Chamber of Commerce Foundation, Gulf Coast Community Foundation, and the Gulf Coast Business Council Research Foundation, KNPC held its grand opening on January 12, 2009, and now houses some 26 community service organizations. The 73,000 square foot facility has been renovated to host tenant organizations and support the efforts of the 300+ active nonprofit organizations along the Mississippi Gulf Coast.

A key lesson in the Mississippi Gulf Coast's recovery from Hurricane Katrina's destruction has been the role a robust, effective nonprofit sector plays in community resilience. A nonprofit center can support the sector's capacity to strengthen a community in the here and now, in advance of a disaster, as well as assist a community in responding to and recovering from a disaster.

Across the United States, communities are finding that collocation of nonprofit administrative offices in multi-tenant "nonprofit centers" can boost synergies and increase efficiencies within local nonprofit sectors. For example, The NonprofitCenters Network, created by the Tides Center in San Francisco through its Tides Shared Spaces program, promotes and supports multi-tenant centers for nonprofit organizations.

### How Did KNPC Emerge?

According to Aletha Burge, the Director of Initiatives for United Way of South Mississippi, discussions in the community regarding the need for a nonprofit center go back about 15 years, but the motivation to act was not there until after Hurricane Katrina. With so many organizations displaced by Katrina's destruction, it became clear that the nonprofit sector needed a center to help the community recover.

KNPC's building was originally the corporate headquarters of Grand Casino, a regional company with two casinos on the Mississippi Gulf Coast. Harrah's acquired the company but did not need all the headquarters space. Creating the new center "took Harrah's' generosity, as well as the determination of the business community, the Knight Foundation, and the other owners of KNPC," said Burge.

Adele Lyons, the Biloxi Program Director for the John S. and James L. Knight Foundation, explained, "In this region, the casinos are good corporate citizens. When some of the nonprofits needed space after Katrina, the casino managers offered them some of the extra space in the Harrah's building, and folks started moving in. Initially, everyone was upstairs, in more crowded conditions, but the synergy was obvious."

Established in 2006, the Gulf Coast Business Council (GCBC) appointed a committee to take on the formation of a nonprofit center as a project. The committee considered other locations until Harrah's agreed to sell its building and 13 acres of land for just \$2 million (the property then appraised at \$10-13 million).

*Responding to the desires of Gulfport, Mississippi, citizens to share their Hurricane Katrina experience with other communities, the CARRI Gulfport Team, including researchers at The University of Southern Mississippi-Gulf Coast, worked with community members to document their stories. The essay presented here, part of CARRI's Gulfport Resilience series, captures a key lesson learned from the Gulfport community's daunting experience with the hurricane.*

The Knight Foundation became the largest donor to the project, with a grant of about \$2.3 million. Other major funders were the Southern Company Charitable Foundation and the Mississippi Hurricane Recovery Fund. United Way of South Mississippi and the Mississippi Gulf Coast Chamber of Commerce had their own buildings before Katrina and had insurance payments to invest in the new center. They also wanted to retain an ownership interest in a building. Kimberly Nastasi, CEO of the Mississippi Gulf Coast Chamber of Commerce, said that the “Coast Chamber had five offices before Katrina and all were destroyed. We knew we wanted to be part of this from day one.”

Sam Burke, the Executive Director of the Boys & Girls Clubs of the Gulf Coast, observed that the location of the building is “ideal, central for the bottom three counties, and central for board members and our Boys & Girls Clubs.” Nastasi also noted that “having a center like this speaks volumes in a community. It says that the community *cares*.”

### **KNPC Supports Synergy**

KNPC houses a diverse set of nonprofits, and each organization is able to bring its particular strengths, needs, ideas, and voices to the collective table. With the Mississippi Gulf Coast nonprofit community having a shared central hub, community organizations are better able to unify their efforts and work more efficiently across the coast. Each unit can focus more on its strengths and foster interdisciplinary collaboration among the organizations.

From Burke’s perspective, “What’s been most important is the synergy that results from being able to go down the hall to talk with people at other nonprofits I work with routinely. Information flow has increased dramatically and is much greater than expected. When the organizations were located separately, they kept to themselves and looked out for their own. Now, we’re more knowledgeable of what each other does and can speak about other services. I can direct someone to another service because I really know quite a bit about what they do. Also,

people are willing to figure out ways to join forces on funding and services. It used to be hard to get someone from another nonprofit on the phone to talk about a grant opportunity. Now it’s ‘what can WE put together?’ This sets the stage for networking the nonprofits together to make change. KNPC has increased our ability to have greater impact in the community.”

Nastasi observed, “The synergy is amazing. We have the opportunity to build relationships among the organizations and avoid duplicating services. Since the storm, we’ve seen that if we can share instead of duplicating, we’re all better. The center makes it easier to see opportunities for merger and for collaboration on grants. All the time people walk in to brainstorm about various programs and projects, collaborations, grants, etc. Volunteers, staff, and clients all benefit from this most powerful synergy and the opportunities to build capacity.”

*KNPC boardroom*



### **Meeting Space and Other Shared Facilities**

KNPC has a variety of conference rooms and even larger meeting spaces, as well as a shared entry, break room, restrooms, security services, and a generous parking lot for staff and visitors. Burge commented that United Way “used to spend lots of time hunting for space. If we wanted space for an annual meeting, we went to board members or to the casinos. Banquet rooms and meeting space can get expensive and it’s time-consuming to haul everything there and back.”

Nastasi agreed that the meeting space at KNPC is a huge benefit. A future goal is for KNPC to provide equipment, such as projectors and easels, which tenants now borrow from groups that already have these and are willing to share.

### **Convenience for Volunteers and Board Members**

Burke mentioned that a number of his board members serve on other nonprofit boards and that being collocated makes it easier for them to attend their various meetings. Nastasi also noted that people who come to KNPC for a Chamber of Commerce meeting are then able to conduct business with other organizations in the facility, so they waste less time driving around.

In addition, KNPC is now a favored site for meetings involving staff from multiple nonprofits because it's so easy for all of those housed at KNPC to attend meetings in their own building.

### **Building Stronger Connections between the Nonprofit and For-Profit Sectors**

Having everyone close together also sparks volunteers' interest in other nonprofits. The Chamber of Commerce and Business Council bring in business clientele who can then get involved with nonprofits.

According to Burke, "Sometimes it's hard for the for-profit world to connect with us, and a more polished facility is helpful. I used to work out of an old warehouse. This matches our quality of work. It sets the tone for those walking in the building. The nonprofit sector is big business. For example, the Boys & Girls Clubs of the Gulf Coast is a \$4 million organization. The nonprofit sector was \$8 billion in Mississippi last year. This center lends a sense of greater professionalism."

Burke also noted, "Many of the nonprofit tenants are barely surviving, so it's important that a nonprofit center be much more affordable than higher end commercial office space. The owners attempted to create a space that would be

comfortable, clean, and welcoming but not extravagant and showy." KNPC does not house direct client service operations. For example, the administrative offices of the Boys & Girls Clubs are located at KNPC, but no youth or family services are provided there.

### **Professionalism and Professional Development**

Nastasi said that she enjoys being around so many other like-minded people. She emphasized that volunteers are essential, but those executing the nonprofit missions are like a family, supporting one another. KNPC is a great venue for training activities for nonprofit leaders and staff. Burke mentioned that the Mississippi Center for Nonprofits had plans for a full day of training at KNPC and that it was great to have training space convenient both for tenants and other nonprofits in the community.

Lyons explained that the Knight Foundation's grant to establish KNPC was all about strengthening and growing the capacity of the nonprofit sector, which is typically weak in communities in the South and Southeast. Too often, agency directors are not trained in nonprofit management, and there is overreliance on volunteers and limited staff development.

Lyons also noted that nonprofit executives and managers share many of the same issues and concerns as those of for-profit businesses. Both need a business plan, occupant license, knowledge of how to handle payroll, and more. It's the financing issues that are most different. She hopes to secure funding to provide professional training for staff and boards of nonprofits both at KNPC and in the larger community.

### **Nonprofit Incubation**

KNPC also helps to improve the chances of long-term success for new nonprofit organizations. As a location for management training, technical consultation, and shared use of resources, the center offers support that start-up nonprofit groups often lack and even existing organizations continually need.

In Nastasi's experience, "having people who can mentor and teach is so important. As a new nonprofit, what you don't know can really hurt you and your volunteers."

Lyons noted that the Harrison County Tourism Commission would soon vacate 5000 square feet in the building when their permanent space in the Mississippi Coast Coliseum is completed. Once they move, it may be possible to create a more intentional nonprofit incubation space, providing cubicles, computing resources, shared copiers, white boards, and more.

### **Navigating a Future Disaster**

Increased capacity in the nonprofit sector strengthens community resilience to a future disaster. In addition, a nonprofit center like KNPC may provide specific resilience advantages.

Burke reflected, "If we had another disaster, we would have a centralized, coordinated effort. With the United Way, the Chamber of Commerce, and other key organizations here, we'd be able to react well."

Nastasi added, "There are more opportunities to think about how KNPC would support the community in the event of disaster. What would KNPC be in a disaster? This would not be a distribution center but a nerve center or think tank."

KNPC can support better disaster preparation. Burke expects KNPC has the ability to prepare local nonprofits more effectively, including those not in the building. KNPC is currently recruiting a new coordinator for the center, and Nastasi hopes that person will assist with disaster management planning for all the tenants.

Nastasi is currently working with her board on standard operating procedures for the Chamber of Commerce. She noted, "We still have barriers to the preparedness mindset, not wanting to think about future disaster, and it's difficult to engage businesses in this training. Locally, government has done tremendous work. We can see great progression in readiness and capacity since Katrina."

KNPC's location also improves community resilience. The center is some 3 miles north of the coast, with no significant surge flooding threat from a Katrina-like hurricane. The facility withstood Katrina and is much more substantial than facilities previously occupied by many of the tenants. KNPC's building includes additional warehouse space, which took on some water during Katrina, but not a lot. The building came with a large generator that the owners expect to swap out for a newer model, to ensure the occupants will have power if something happens.

One of the major problems that faced the Mississippi Gulf Coast after Katrina was the inability to coordinate both local and out-of-area nonprofit efforts with local needs in the aftermath of the storm. KNPC may serve as a prearranged central hub for identification of needs and coordination of nonprofit efforts in a future disaster.

Shared space for community relief organizations is particularly important in a chaotic post-disaster environment and can help ease the tremendous strain placed on these organizations by the immediate and



*Gulf Coast Community Foundation  
office at KNPC*

concentrated relief efforts following a disaster event. Such an arrangement facilitates communication among the housed community service organizations and also between the public and the community relief and recovery efforts. The breakdown of such communication

after a disaster constitutes a major threat to recovering communities, both initially and long term.

### **Looking Forward**

Lyons knows that the full impact of KNPC has yet to be realized. She and Burge have been meeting with a team of representatives of the tenant organizations to explore ways to improve the community within KNPC.

Burge explained, “It’s important to recognize that we must be intentional in building community, and think about how we want to build and shape the community. Having a building is necessary as a foundation but not sufficient for the kind of nonprofit community we envision. The group has lots of ideas about how to share information, socialize, and have fun together. An end result should be our knowing each other as people.”

Burge noted that everyone recognizes the possible benefits of increased collaboration and sharing. The ability, for example, to pool resources in purchasing or sharing major pieces of equipment is part of the dream, but there are hurdles in money, manpower, and difficulties inherent in building collaborative endeavors.

KNPC is constrained by having been incorporated as a 501c25 entity to accommodate joint ownership of the facility by its four 501c3 owners. The downside to the 501c25 form is that contributions to such an entity are not tax deductible and the 501c25 may *only* hold and rent property.

The owners initially thought they could create an associated 501c3 foundation to help with programmatic funding, shared technology systems, etc., but are not able to do so. They learned there is no good model in the tax code for creating a nonprofit center with multiple owners.

As Nastasi explained, “Anyone else starting something like this really needs to understand all the parameters and tax consequences. Of all the nonprofit centers we know, KNPC is the only 501c25. It adds a real burden we don’t know the answer to. We were trying to do something

ASAP and don’t know how it will affect our future.”

Burge observed, “The process to date has been more like making sausage. It hasn’t been pretty or smooth. There have been lots of things to work out. It was easy to buy into the vision. Working out the details has been tough. But start-ups *are* tough. KNPC is just in its infancy or early childhood. It has a ways to go to become mature and well oiled.”

Hurricane Katrina demonstrated that coordination and collaboration in the nonprofit sector is an important factor to consider in community resilience. KNPC now serves as a central hub to ensure the long-term survival and success of the Mississippi Gulf Coast nonprofit agencies.

Through close proximity and pooled resources, nonprofit organizations are better able to fulfill their missions as well as serve the whole fabric of the community. KNPC is a one-stop shop for all sectors, both private and public, to seek solutions to vexing social problems, in good times as well as bad.

*Melissa Byrd Lunsford joined the Knight Nonprofit Center as Operations Manager in 2010. Please contact [info@knpcenter.org](mailto:info@knpcenter.org) for additional information about KNPC or visit their web site at [www.knpcenter.org](http://www.knpcenter.org).*

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