

SQUARE FEET

# Young, Idealistic and Now Developers



David Maxwell for The New York Times

Ben Ezinga, left, Naomi Sabel and Joshua Rosen, collectively known in Oberlin, Ohio, as "the kids," put together the financial backing and city support for a \$15 million development on a site vacant for years.

By LISA CHAMBERLAIN  
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**OBERLIN, Ohio** — In this quaint but economically stagnant college town 50 miles southwest of Cleveland, Ben Ezinga, Joshua Rosen and Naomi Sabel spent their first four years as typical liberal arts college students, going to class, writing papers and looking forward to graduation. Their last four years in Oberlin, however, have been spent learning hard lessons in real estate.

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Against long odds, the once young, naïve and inexperienced team is nearing the groundbreaking on the first major commercial development in the historic downtown since 1958. They hope they are building not just a mixed-use project, but a model for progressive urban redevelopment under financially difficult circumstances.

"I was about to graduate," Ms. Sabel recalled, "when I noticed a 'for sale' sign on this lot, and I thought, 'Someone

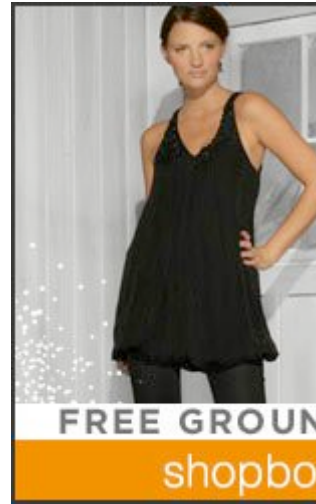
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Rendering by Integrated Architecture

should do something with that,' and went on my way. But as I kept walking past it day after day, I started thinking, 'We should do something with that.' ”

With neither development experience nor a single class in real estate finance among them, the three friends formed a corporation, Sustainable Community Associates, and as they like to say, played rock-paper-scissors to decide who would be president, chairman and chief executive.

It is stories like these that initially caused some in the community to underestimate them, which few are doing now.

They have cleaned up a two-and-a-half-acre site that was once occupied in part by an auto body shop, dry cleaner and gas station, and they worked with lawyers, architects and other developers to get plans approved. They also successfully negotiated the City of Oberlin's first tax-increment financing (TIF) bond, in which the city issues a bond to be paid back through taxes generated from the rising property values spurred by a project.

Additional site preparation will continue in December, with a formal groundbreaking next spring.

“The polite word might be persistent,” said Daniel Gardner, president of the city council, when asked to describe how the three were able to persuade the city to issue its first TIF bond. “Because we were dealing with developers who had no prior experience, we required a whole lot more from them, frankly. But if we're serious about redeveloping downtown, we're going to have to take some risks and make some investments, and this is a slam dunk to me.”

As far back as anyone can remember, the site on East College Street has hindered growth in the downtown area. By contrast, a few miles to the south Wal-Mart just opened a 155,000-square-foot store that has more retail space than the entire downtown.

“It was a vacant lot when I graduated in 1964” from Oberlin College, said Richard Baron, chairman and chief executive of McCormack Baron Salazar, a development firm in St. Louis, referring to the East College Street land. “That site has been a major problem for decades. So when the troika, as I like to call them, approached me about helping them redevelop it, I agreed.”

Mr. Baron, whose firm specializes in mixed-use urban development, greatly influenced the plan for the site: a combination of 49 residential units, 14 of which will be rented at affordable prices and the rest offered for sale; 12,000 square feet of street-level retail space, which will be leased only to local proprietors; 10,000 square feet of publicly



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accessible open space where concerts and markets will be held; and both underground and surface parking.

In addition to Mr. Baron, another important mentor to the team is David Orr, a professor of environmental studies at Oberlin College and an advocate of green building. With Professor Orr's recommendation, the young developers were able to hire an experienced architect, Michael Corby of Integrated Architecture, based in Grand Rapids, Mich.

"I was never concerned about their age or experience except that they make me feel really old," Mr. Corby said with a laugh.

"But really, in addition to David Orr's recommendation, I felt comfortable that these young idealists were figuring out a way to make things happen. They're a very credible force. The model they're creating could be replicated by others."

Mr. Corby said that they are incorporating as much green technology as the \$15 million budget will allow. But he also was quick to point out that the architectural style will not be New Urbanist, as is de rigueur in small towns trying to recapture a presuburban era with white picket fences and clapboard siding. Instead, the brick, glass and metal palette is "subtle modernism that's not trying to do anything more than suggest a different era," Mr. Corby added.

A different era is precisely what the three developers hope they are ushering in, one that is not just about mixed-use development, but also about a mix of idealism and pragmatism. On a tour of the site, "the kids," as they are often referred to by people from Oberlin, speak in terms more familiar to social scientists than real estate developers.

"Building up the tax base isn't usually thought of as social action, but a bankrupt city doesn't benefit anyone," Mr. Rosen said, who is 27. "You can take a traditional field like real estate development and make it an avenue for accomplishing social goals."

Ms. Sabel, 26, said: "The market wouldn't support a traditional real estate development. So we had to design a project to address the real issues of Oberlin and provide a tangible social value. But the building has to make sense economically at the end of the day."

Mr. Ezinga, 27, added: "When you market a project as a way to promote social values, you get people involved who wouldn't otherwise be interested."

To that end, the young developers have put together a very complex financial package, including \$8.4 million in residential sales. This includes \$2 million for the affordable units, which have been purchased by a philanthropic organization, the Kendeda Fund, based in Atlanta; the fund will rent them at below market rate. There is a \$1.2 million mortgage on the commercial space, \$1.4 million in tax-increment financing from the city, a \$200,000 HUD grant, and \$3.7 million in new markets tax credits, part of a federal tax

credit program for commercial projects in low-income areas.

Because of the complexity of the mixed-use plan and financial package, the project has taken longer than anticipated, causing some people in the community to fret about the city's gamble of tax money on inexperienced developers. But Mr. Gardner said he was confident that the project would succeed. "I wouldn't bet against them," he said.

While the development team has struggled for four years to get the project off the ground — working odd jobs and running up their credit cards to survive — what they are really looking forward to is the day when they will no longer be known for their youthfulness.

"When will we stop being referred to as 'the kids'?" Mr. Ezinga asked.

"When the building is done," replied Mr. Rosen.

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