

Behind the Building

Fomento Firme Leads NCLR's Quest for a New Home

BY KATHY SHIELS TULLY



Marcos Morales (left) and Tom Castellanos, FFA's principals

This coming June, Fomento Firme Associates, Inc. (FFA), a real estate development firm based in Phoenix, will begin its fourth year of assisting community organizations in creating their own assets and becoming more self-sufficient. While Thomas Castellanos and Marcos Morales, FFA's principals, have had many successes since the formation of the company, their most recent project has given them deep personal satisfaction – assisting the National Council of La Raza (NCLR) in its search for and acquisition of a permanent headquarters.

FFA has strong ties to NCLR and has a shared interest in NCLR's mission. In 2001, Morales, former Texas Director of Community Development at NCLR, and Thomas Espinoza, President of the Raza Development Fund, co-founded Fomento Firme – which means “solid foundation” – to address the lack of community development projects in areas with high concentrations of Latinos. In 2002, Castellanos joined the firm, and the company was reorganized with Morales and Castellanos as principals. Castellanos' 25 years in finance and commercial space

utilization partnered with Morales' 15 years of experience as a nonprofit practitioner and real estate professional has proven to be a winning combination.

Raul Yzaguirre, then-President and CEO of NCLR, had dreamed for many years of establishing a permanent home for the organization in Washington, DC, and NCLR had been actively searching for a building that would meet its needs. In 2003, after two long years without success, it secured FFA's services. NCLR initially hadn't considered using FFA because, Marcos explains, “Many

nonprofits think that because FFA is located in Phoenix, we couldn't possibly understand their local markets. Tom and I both understand the research dynamics required; FFA is able to penetrate real estate markets using a reliable formula that uncovers real estate diamonds in the rough.”

FFA's first step was to administer a stakeholder analysis to determine NCLR's immediate needs as well as five years into the future and beyond, followed by a feasibility study which included identifying anything that could obstruct progress. The result was an NCLR-specific search and blueprint for success.

In January 2004, Morales and Castellanos began their intense search. FFA was faced with a limited choice of viable properties and an extremely dynamic real estate market in DC, and the mounting pressure of finding a suitable building before NCLR's office lease expired in February 2005 factored into the quest. In early 2004, FFA's land probe led them to zero in on prime real estate which was soon to be listed on the market in Washington, DC, just

four blocks from the White House at 1126 16th Street, NW. Morales and Castellanos wasted no time in delivering the news to Yzaguirre, escorting him to view the site. Raul walked into the building and commented that more than 30 years ago when he was a young activist, a friend in a DC office building offered him the use of a small cubicle so he could get started in DC politics. That cubicle was in this very building. Morales said later, "I knew this was it. We had found the future home for NCLR."

Once the building went on the market officially, FFA moved fast. Competition was fierce; despite 13 other offers, NCLR's mission resonated with Charles Calomiris, one of the building's owners. With FFA's help, NCLR navigated through the complex commercial real estate acquisition process, from crafting the Letter of Intent to a sound closing. Despite multiple obstacles, NCLR and FFA completed the rigorous process in a record three months, half the time typically required.

In April 2004, NCLR formed a Community Development Corporation to acquire, renovate, and lease the property. NCLR now had its new home. "It cost \$14 million just to purchase it, a sizable deal," says Castellanos.

But there was no time to celebrate. FFA had less than one year to create a

headquarters facility that was simultaneously up to DC market standards and culturally sensitive. FFA hired two firms – EwingCole, a regional architectural firm with a sizable local office, and Kell Muñoz Architects, Inc., a design firm based in San Antonio and led by well-known Latino cultural activist Henry Muñoz, President and CEO of the company. Together they created plans for a vibrant design and signature space. The Washington, DC office of San Jose Construction, headquartered in Madrid, Spain, and NCLR executives Lot Diaz and Gerald Borenstein completed the team. NCLR's Board of Directors reviewed the conceptual renderings, approved the designs, and made the historic decision to name the property the Raul Yzaguirre Building.

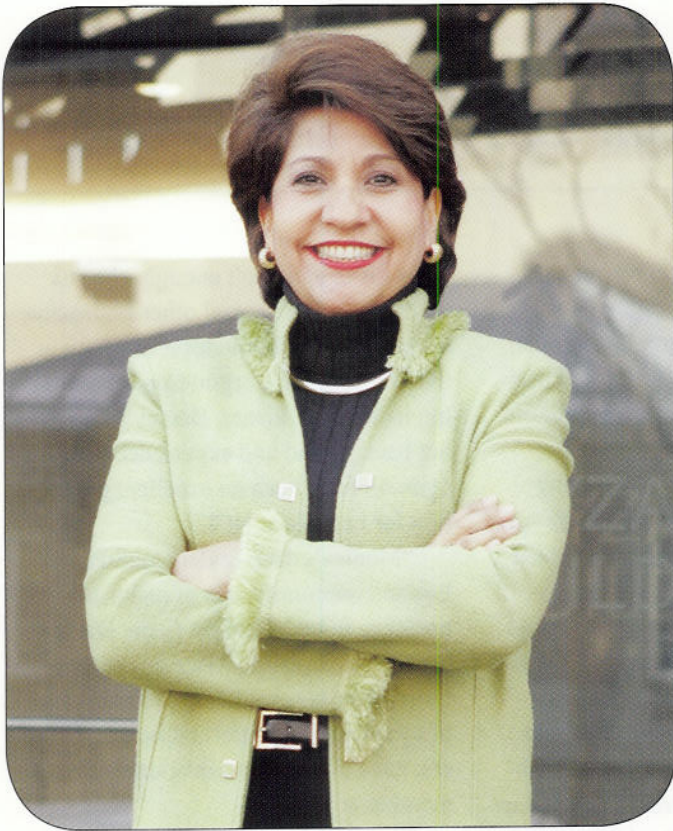
Amazingly, the construction for the immediate space needs was completed 107 days after permit – almost unheard of timing for construction in the DC area. NCLR moved into its new home without incident – on schedule – on February 25, 2005, and today NCLR staff occupy four floors of the 60,000-square-foot building – 56% of the space. All NCLR affiliates and other guests are received at the sixth floor reception area. Two additional floors are occupied by tenants, and the remaining space will be rented to other nonprofits or entities. "By the end of year, the building is

scheduled to be at 95% occupancy, providing its owner with 'performing assets'," added Castellanos.

The \$6.7 million interior renovation reflects the many facets of Hispanic heritage. A world-class conference center, outfitted with state-of-the-art technology, is a place where NCLR, its affiliates, and other groups can hold collaborative meetings. Outside of the first floor conference center is the activist area – the Galeria del Movimiento – which showcases the corporate, foundation, and individual contributors who made it possible for the establishment of NCLR's permanent home. A soon-to-be-installed codex will visually tell the story of NCLR and its affiliates as well as the Hispanic culture in America. The next phase of improvements involves the exterior of the building, including construction of the *Patio de los Afiliados*, a place for affiliates to meet in a beautiful outdoor setting.

Thanks in part to Fomento Firme, NCLR has a solid foundation on which to build its future. NCLR is finally home. ◀

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A Word From

THE PUBLISHER

Dear Readers:

We have devoted this issue of *Agenda* to one of the proudest and most significant moments in the history of the National Council of La Raza (NCLR) – the acquisition of our own headquarters building in Washington, DC. Located just four short blocks from the White House, our new building at 1126 16th Street, NW is in the heart of our nation's capital. In these pages, you will learn about the people and the organizations without whom this long-held dream of our organization could not have been realized. I want to give special thanks to our

building fund donors, our architects and contractors, our consultant, Fomento Firme, and key NCLR staff for everything they have done in helping to secure a permanent home for NCLR and what we hope will become a center of pride and destination point for NCLR's affiliates and the Latino community nationwide.

It is especially meaningful and inspiring to me that NCLR has been able to realize the vision of my predecessor, Raul Yzaguirre, who struggled long and hard for this day to come. I am very pleased to report that the NCLR Board of Directors unanimously voted to name our new headquarters the Raul Yzaguirre Building in his honor. I hope you will join us in recognizing and celebrating all of Raul's accomplishments and contributions to our community and to our nation at a tribute dinner April 27th in Washington.

This issue marks my first as NCLR's President and CEO. I am honored and humbled to be in this position and I also feel privileged to take over as Publisher of *Agenda*. As part of NCLR's new Integrated Marketing and Communications Plan, we are working to make *Agenda* more informative, readable, and useful to all members of the NCLR family. If you have thoughts or suggestions, I would love to hear from you. Please feel free to drop me a line at publisher@nclr.org.

Sincerely,

Janet Murguia
President and CEO