

# 30 Years MIAMI TODAY

WEEK OF THURSDAY, SEPTEMBER 12, 2013

SERVING SOUTH FLORIDA'S MOST IMPORTANT AUDIENCE

*Bernie Navarro was born and raised in Miami. A University of Miami and Harvard University graduate, he has always been involved in the mortgage business through different corporations. After selling Home Mortgage, in 2008 he opened Benworth Capital, a private mortgage lender.*

*His latest venture, however, has been through the presidency of the Latin Builders Association, a large Hispanic construction trade association with 750 member companies in South Florida. His biggest project there has been the start of the LBA Construction and Business Management Charter High School last fall.*

*Miami Today reporter Vanessa Zambrano interviewed Mr. Navarro at the charter high school in Hialeah.*

**Q: Are you originally from Miami?**

**A:** Yes, I was born in Miami.

**Q: Have you lived anywhere else or did you grow up here?**

**A:** Born and raised here and two years for grad school in Boston.

**Q: Why did you decide to move back?**

**A:** Miami is special. Miami is a melting pot of people and ideas. When you're younger you will say "I want to go away, I want to leave, I want to experience new things," but once you leave you understand that Miami is a special place and you come back in love with it more.

**Q: Walk us through your professional history.**

**A:** I've always been in the mortgage business. I started off in GMAC Mortgage – General Motors Acceptance Corporation Mortgage.

## THE ACHIEVER



### Bernie Navarro

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Age: 40

Born: Miami

Education: Bachelor's in business, concentrating on finance and marketing, University of Miami; graduate degree, Harvard University, concentration in government.

Personal Philosophy: I'm a friend to my friends. That's a big responsibility for me, so I like to live those words and be true to my friends.

After that I went to Citibank, ran Florida for Citibank retail mortgages and their retail operation in the mortgage business. After that I founded Home Mortgage, and we were very active in the building industry. We always focused the company on the building industry.

In 2005 Countrywide Home Loans, the largest lender in the nation at the time, came in and bought us out. After that I started Benworth Capital.

**Q: Was that during the recession?**

**A:** During the recession, in 2008. We started Benworth Capital in April 2008.

When I sold in 2005 my friends, my advisors, colleagues told me that it was a wrong time to sell, that we were in a great economic position, the economy was doing great, it was the wrong time to sell, and I thought it was the right time.

The opportunity came knocking. The economy was booming, but I felt that it was going to start slowing down, and we sold it and it proved to be a boom, and then in 2008 I started up again just for the same reasons. The evaluations were in an all-time low. Certain indicators felt that South Florida in general couldn't go lower in value so we decided to start our business, which is a private equity fund, raising capital and putting it in real estate – in mortgages and in real estate.

**Q: And your father is also working with you?**

**A:** Yes. He joined me in 2002 with the prior company.

**Q: What kind of projects have you had at Benworth Capital?**

**A:** We fund loans from \$50,000 to \$4 million, so we're involved in projects in that sector. We raise

# Bernie Navarro heads Latin Builders as association creates...

capital, which is the fun part – that’s really what I do – and then the company’s putting the capital to work in mortgages and in real estate projects. We also acquire projects.

**Q: How do you achieve the growth that it has had since 2008, during a time of economic downturn?**

**A:** We’ve had a clear path to success. We know what we do and we know what we don’t do. We know that we stay in a box and if we feel comfortable in doing loans in that box we execute.

We ask a lot of questions. Some of the questions are “Why are you using private equity funds to fund your project?” and “How is that loan going to leave us? How is it going to be repaid? How is it going to leave the portfolio?”

We’re a bridge lender. Our loans are only for two years, so in that short time they have to pay us off. So we have to make sure that the project we’re financing is viable.

**Q: Have you seen a change from 2011?**

**A:** Yes, prices have increased in the last six months to a year dramatically, which is always a concern, so we want to make sure we have our pulse on valuations and we’re not moving away from fundamentals. If you move away from fundamentals... it’s what caused the crisis before, so we want to make sure we have our pulse on the trigger.

**Q: How do you see the future in private lending?**

**A:** I think there will always be a need for private lending and bridge lending. We are there because banks are tight with credit right now. People can’t execute quickly enough when they want to purchase something, so we’re there to meet that need.

**Q: Are you a member of organizations in Miami other than the Latin Builders Association?**

**A:** We’re a member of the Greater Miami Chamber of Commerce.

**Q: You are also president of the Latin Builders Association, and you’re the second generation. When was it was founded?**

**A:** My parents and a group started the Latin Builders. They got together to make sure their interests were being



Photo by Marlene Quaroni

Latin Builders Association President Bernie Navarro talks with Ilian Camps, 16, and Raul Ramirez, 15, at the LBA Construction and Business Management Charter School.

represented at all levels. The LBA was started 40 years ago by a group of exiles that came to this community and wanted representation within their business, within their sector. They felt that they weren’t getting the right level of success in county government and state government and at the federal level, so they pooled their resources, both businesswise and politically, to get ahead. That’s been the success of the Latin Builders Association.

Now the group that’s with us is the second generation of leaders in the LBA, and they feel enormous amount of pride because of what it has represented to this community, both economically and as a statement politically.

**Q: How many members does it have?**

**A:** Right now 750 member companies. We have about 40 directors.

**Q: Are there new members?**

**A:** Yes. The beauty about the LBA is that it has always been injected with new blood, new business leaders, new people that want to get ahead. It’s been a success, and that’s why it’s lasted so long.

**Q: How long have you been president?**

**A:** For a year. My term expires at the end of the year.

**Q: Tell me about the projects you’ve developed at the LBA.**

**A:** We’ve done trade missions. We’ve gone to Singapore, Malaysia;

Peru, Brazil, all representing the Latin Builder’s Association. When I became president I said we had to go find business if business was not here, and that’s what I’ve tried to do.

**Q: Tell me more about the LBA charter high school; it has been a year since it started.**

**A:** One year. When I became president I handed the board of directors and the members a business plan of things we should be focusing on, what is important to this association for its viability going forward.

One of the major bold ideas was to study a charter high school, and we went to speak to two companies that manage charter schools locally. They thought it was a great idea. They thought there was a need. But by the time it got on the way it was going to take too long, my presidency was going to be over.

I went to speak to the superintendent, Alberto Carvalho, and he immediately said it was a great idea. In a matter of a couple of months we had started a charter school.

Where we sit today is a surplus school that the school board had. We pay rent to the school board. We feel this is an incubator, not a long-term plan. We’ll have a school somewhere else that we will build.

**Q: Are there plans in terms of location?**

# ...construction and business management charter high school

**A:** It's probably going to be here in Hialeah.

We started our first year with ninth grade. This year we have tenth grade and our first graduating class is 2016, so we're very excited about the possibilities and what the school means, not only to our association but to the community in general. It's the first time a business association starts a charter school, a business charter school, in the United States.

**Q:** *How many students does it have?*

**A:** Right now 175.

**Q:** *How many did you start with?*

**A:** We started with 40. We're an A school, which is quite a feat for a first-year school, for a startup.

Our children are excited. They want to learn. Some of our business meetings happen in the school cafeteria, where we'll have a business meeting with a local elected official or with a local business leader, and they're around seeing what's going on, asking questions and involved in the process, which doesn't happen in any high school.

The students are very engaged because of what they're seeing, the excitement they see. They'll go to one of our lunches – monthly lunches where our membership meets – and the governor could be speaking and they're meeting the governor, they're interacting with the governor or with a senator – Sen. Marco Rubio is very active in the school – and so on and so forth. So they've been getting a view of life and a view of practice.

We know that the one-size-fits-all approach to high school, to learning, does not work, and this is showing us that.

**Q:** *How did you get the word out so quickly to parents and students about the school?*

**A:** That's a great question. We got our charter in July and the first day of school was in August and we had to run to get students.

We went out to the community and we told them our story, and our story is very compelling, what the LBA represents to this community, and now we want to teach the next generation of leaders of this community, and 40

signed on and it was tough.

Those 40 were tough because we were competing against the bigger high schools where their friends were going, but these core 40 students have been our backbone, they have been the ones who have been engaged. They know what they want in life already and that's why they wanted to come here.

**Q:** *Are they all set on business or management?*

**A:** Yeah, they all want to be in business, they all want to be lawyers, be in the construction business. They already want to start making money and to start being productive.

Our directors serve as mentors. Our member companies provide internships over the summer for the students.

If they want to continue on to the university, so be it. We have three of the members of our board of directors – FIU, University of Miami and Miami Dade College – which are excited, and they want to provide schooling for the students when they finish.

If our students want to go through that track we welcome that.

They can also start their own business. They're going to leave here already knowing what to do in the real world, knowing how to start a business and what they need to do.

And the third tier is, if they want to start working they can start working for one of our member companies at a well-paying job, more than a high school senior would get going elsewhere. They already know what doors to knock on because they interned in the companies in the summer. They know who to talk to, and that's half the battle.

**Q:** *What differentiates the curriculum here from the curriculum at a regular high school?*

**A:** In a regular high school you can pick your electives. You may have ceramics or water coloring or calligraphy, which are all noble causes, but here we try to focus their electives in the courses to where they want to go: engineering, entrepreneurship, marketing, IT. Those are the things we want them to focus on, and it differentiates us from the other schools.

**Q:** *Are most students from Hialeah or from all around Miami-Dade?*

**A:** Most students are from this area because of transportation issues.

However, I do want to talk about one student we have, who travels three hours a day to come to the school from Homestead, and he takes planes, trains, and automobiles like I like to say. He takes the Metrorail, a bus, you name it, to get to the school because this is where he wanted to be. A lot of our member companies already want to hire him because they know he's determined.

**Q:** *What does he want to focus on in particular?*

**A:** Engineering.

**Q:** *I understand there is a plan that includes professional development?*

**A:** We focus on professional development. We make sure that our teachers have the training and continue to get certified.

**Q:** *And it includes technology?*

**A:** Right. We had to compete against other high schools, and we decided to be very focused on technology, so every student receives a free iPad.

If they behave well and they're getting good grades they can take it home. If they don't, they have to leave it in the school.

**Q:** *Regarding funding for the construction of the new school, is that going to come from the association itself or are you fundraising?*

**A:** We fundraise. The seed money to start the school came from the LBA. The first year had a deficit, and everybody raised their hand and they said they're committed. TD Bank gave \$15,000. Florida Power & Light also gave money. Everybody signed on for this project because they believed in it. This year looks like we're going to break even.

**Q:** *Because students don't pay tuition?*

**A:** No, it's a charter school so we get our funding from the state, and if there is a deficit we have to cover it.

**Q:** *So the future plan is expansion?*

**A:** Expansion. When we have eleventh and twelfth grade it'll get better.

**Q:** *Is there room in this building to hold four grades?*

**A:** There is room. There are other classrooms here, but our goal is by senior year to make sure that we're already working on a capital program to start our own facility, our own building where we will house the school, and we'll house the association as well.

The association offices will be there so every month when we have our board meetings and we're talking about finances, what's going on in the school and the association, issues that are pertaining to the community, our vision is for them to be sitting around listening to our board meetings as well.

**Q: How do you think the transition will be handled when you leave later this year and a new president comes in? Are all members on board on keeping the project going?**

**A:** Yeah, that's another great question. The beauty about the LBA is that we've had a succession plan. I was president-elect two years before I became president, and then I transition to immediate past president, so there's a six-year window for leadership and then there's already folks in the wings that are president-elect. We're going to have elections this year.

**Q: Are most students Hispanic or is it very mixed?**

**A:** I would say 85% Hispanic because of the general area and transportation issues. There's already talk of us doing a school in South Dade, but we want to get this right first before we venture off into other areas.

**Q: How many people are on staff?**

**A:** Right now we have about seven teachers and one principal, so about eight.

**Q: How was the process of recruiting teachers?**

**A:** Most of the teachers were recruited by our principal. She's been a long-time educator in the community so she knew who to call and who to contact.

The difference with a high school is that there has to be certifications, so you need to have teachers specialize in different areas. That's a little bit of a challenge, but we're going through it.

**Q: Well can you tell me about your hobbies and your family?**

**A:** A lot of fishing. I have three beautiful children, a 7-year-old, a 4-year-old and a 2-year-old. I also serve as vice president of their PTA, so I'm all over the place, and I've been married for 10 years to my beautiful wife Claudia. We live in South Miami.

**Q: Do you take them fishing with you?**

**A:** Yes, I take them everywhere. I like the boating because you have to be confined into one space and everybody has to get along.

**Q: Are there other projects you would like to mention?**

**A:** We're very involved in the immigration debate. The LBA put together all the construction business leaders of the different associations in the community and in South Florida, and some coming from North Florida, to speak with Congressman Mario Diaz-Balart about the impact of immigration to the South Florida economy and the national economy.

Congressman Diaz-Balart has been a leader in the debate of immigration in Congress. We facilitate a lot of the meetings and a lot of the dialogue between the business community and the congressman so he can understand what the issues that affect us are.

We're very committed to the immigration debate and making sure that our broken system gets fixed once and for all. We should cure it, fix it, and move on with this issue.

