

# Episode 67

📅 Wed, Feb 28, 2024 10:00AM ● 1:00:14

## SUMMARY KEYWORDS

buying the community's problems, Van Wert County Foundation, Van Wert Forward, community foundation, downtown revitalization, Main Street program, Seth Baker, new urbanism, historic preservation, building acquisition, deferred maintenance, succession planning, talent retention, learn and return student loan payoff, philanthropy and economic development

## SPEAKERS

Jason Duff, Seth Baker, Ethan DeLeon

S

**Seth Baker** 0:00:00

How do we take a deeper dive into the quality of life? How do we redirect our assets to solve some of the problems that Main Street just couldn't solve? And so we couldn't grant out more resources, but what we could do is start buying the community's problems. And so we literally did that. We took some of our endowed funds that were invested on Wall Street and put them right into downtown. We started buying buildings. We bought 55, 56 buildings, I think is where we're at right now.

E

**Ethan DeLeon** 0:00:34

Welcome to the Small Nation podcast, brought to you by Coverlink Insurance, where people are more important than policies. On this show, we unpack lessons from entrepreneurs to break down development strategies and do deep dives on small town success. Our goal is to provide value to our listeners by hosting conversations that teach, inform, and inspire. Hey everyone, my name is Ethan DeLeon, and I'm here in the studio with the founder and CEO of Small Nation, Jason Duff. Today we have a great episode lined up, especially for economic development audience as we're excited to be hosting the CEO at Van Wert County Foundation, Seth Baker.

S

**Seth Baker** 0:01:10

Thank you guys for welcoming me.

**J****Jason Duff** 0:01:11

Seth, it's great to have you on the show. So I have been following Seth now probably for at least 10 years. And I'm really excited about this episode because what is happening in Van Wert is something very special. Yeah, the town, and I'm excited for you to share some of your favorite elements of Van Wert. But for me driving in, it is a quintessential agricultural community, beautiful courthouse, one of the most beautiful courthouses I think in the state of Ohio. And, you know, when I first got introduced to it, I met some entrepreneurs that were starting to invest in real estate up there. Chet Straley was one first, one person that, you know, his family had been in the community for a number of years and was buying and investing in some buildings downtown. And then I met Sticky Rammel and his wife that were involved in a manufacturing operation. If you guys are familiar, ever heard of Vera Bradley? There were bags that were really popular, and I think the line is still popular, but they were being manufactured, I think, in the area, right? In Van Wert. And then through business models, like, things change, and I think Vera Bradley took a different turn to manufacture maybe overseas or somewhere else. Which left a gap. And it was neat kind of hearing that there were locals that were pulling together to still create beautiful handbags with patterns. And I just love those small town success stories and entrepreneurs. But we're going to get to hear today the secret sauce behind Seth and his team from the, the local foundation that's in Van Wert, which is called the Van Wert County Foundation, and then also hear about their project called Van Wert Forward. So just excited to have you on the show today.

**S****Seth Baker** 0:03:00

Yeah, thank you.

**J****Jason Duff** 0:03:00

So kind of give us your background, Seth. Tell us a little about yourself.

**S****Seth Baker** 0:03:03

Yeah, so I grew up on a farm in Van Wert County. As you said, that's an ag area. And knew pretty early on that I wasn't probably gonna return to the farm. Went out and got a degree in horticulture, landscape architecture, minor in city and regional planning, and then ultimately ended up getting my MBA focusing on change management. Spent some time in Florida as a landscape architect. So where I was really focusing on new urbanism, traditional neighborhood design.

**J****Jason Duff** 0:03:39

Can you tell for those people are listening, what is this whole new urbanism stuff?

**S****Seth Baker** 0:03:43

Yeah, it's, I mean, it's new, it's new development, but really looking back on the principles of the way a traditional historic community would've developed. Paying a lot of attention to walkability, that neighbors are able to interact with neighbors. They have front porches, there's back alleys that are serving kind of back house, but also that there's a downtown environment that fosters business growth as well. So new development.

J

**Jason Duff** 0:04:19

New development that pays homage to the old things that work.

S

**Seth Baker** 0:04:23

That's right. Yeah, yeah, yeah. So my, my role was really, you know, designing park spaces, designing where building lots were going to go, how the roads were going to navigate through the spaces, and really paying attention to how users interact in that space. Super cool.

J

**Jason Duff** 0:04:41

Which, you know, when you think about creating environments that people like, plants are kind of important in that process.

S

**Seth Baker** 0:04:48

They are.

J

**Jason Duff** 0:04:49

Yeah. And, you know, one thing as I travel to other towns, it's very distinctive the towns that you drive into that have been intentional about preserving trees and using street trees, and those that have identified trees as being, um, you know, a, a, a hindrance or a negative thing and tearing them all down.

S

**Seth Baker** 0:05:09

Yeah, so I remember one of my first roles, uh, right out of college in Florida, uh, walking through old pasture fields and, um, uh, noting which trees we were going to tag and dig and move. And these are, these are live oak trees, large trees.

J

**Jason Duff** 0:05:27

Wow.

S

**Seth Baker** 0:05:28

Um, you know, you load up on a flatbed semi and, you know, haul down the, the road a little bit and replant them. And you've got plant doctors that are coming in and overseeing, um, you know, the health of those. So yeah, um, this, this world kind of takes you, uh, through all sorts of cool, uh, scenarios over time. And sometimes you get to, to use them in ways you'd never expect.

J

**Jason Duff** 0:05:52

Yeah, super cool. So how long were you down there doing that kind of work? Um, 3 years.

S

**Seth Baker** 0:05:56

3 years. And then the housing bubble hit and found myself without a job and never thought I would be able to return to my home community, Van Wert. But they had a Main Street organization and they were looking for a new director and they were going through a streetscape project.

**J****Jason Duff** 0:06:18

And guess what? That's so easy when they do a streetscape project, just for those that are listening. You basically have to go to all of your business owners and building owners in the town and you got to say, we're going to be tearing up the— usually, definitely the fronts of your building, sometimes the back of your building, and making it very difficult for you and your customers to get in. That makes everyone really happy, right?

**S****Seth Baker** 0:06:40

I've become a pro at that. That was the first thing I encountered when I came back to the community is like literally started my job end of May, beginning of June, we were tearing up the streets in front of people's businesses. I wasn't a business person. I didn't have my MBA at that point. I was a landscape architect guy from Florida that was coming back. And I honestly thought it was going to be— I'm going to be in here, I'm going to be here for a year or two. I'm going to leave town. I'm going to go get my degree in urban planning in some metro area. And that's where I'm going to live life. Obviously with farm roots, you know, my family's there and there's ag lands that are there. And so there's reason to put down roots. But I inadvertently happened to meet the lady that I married who also was only intending on being in Van Wert short term as a teacher. And so when we met, we realized, hey, we've got a future together and that future is going to be a family., and we don't want to put roots down in Chicago if we've got a family. We need to be where family is to help raise that family. And so we chose Van Wert, and haven't looked back. So that's 15 years ago.

**J****Jason Duff** 0:07:53

It goes so fast. Well, and I think that one of the things of losing young people in small towns is the idea that you can't maybe see your future of what that looks like. And Is that something that you think is kind of common, like, as you're kind of interacting with other leaders of communities and foundations, and how do you combat that?

**S****Seth Baker** 0:08:19

Significant conversations with my dad around the fact that you don't have to work in the field that you started in. And I look back on his history. He started out as an industrial tech teacher, and he grew up on a farm as well. He spent a year or two in it and realized, you know, this is not the world for me. I'm going to go back to farming. That's what I'm passionate about. That's what I'm good at. And the foundation has a sizable scholarship program. We get to talk to a lot of students. And that's the one thing, you know, you realize that, you know, your career path takes you different places and school is really to set you up for success, but not necessarily, you know, I'm not going to be a landscape architect forever. You know, there's a different path that you can, you can take and Not being afraid to jump in to strange scenarios that you might be uncomfortable with, but might lead to success later down the road.

**J****Jason Duff** 0:09:10

That's really good advice. The other thing is that I have noticed is in a lot of small towns, there are great businesses or professionals that are retirement age. And maybe they haven't really thought through what that transition plan is for the business. So being able to be an apprentice or being able to transition to buying an existing business, I think, is another really great opportunity. Have you seen those kind of pop up in your community as well?

**S****Seth Baker** 0:09:37

Oh, absolutely. Actually, I think back to— I was in my mid-20s, 24 maybe, when I moved back to Van Wert. We were— Van Wert was having a lot of conversations around how to transfer leadership from one generation to the next. Fortunate on that because I know a lot of communities hadn't had those kind of conversations. And so they welcomed with open arms. They mentored, they guided. And the business community is no different. So, you know, you've got someone who's in insurance and they've got to identify someone who's going to come in later. Actually, I've got a very specific person in mind. He would know this as soon as I say this because he also scouted me to take over an insurance company. And I mean, I remember him saying, hey, you've got to go out and kill the bear every day. Every day you've got to go out and do the work. And then, you know, started having those compatibility conversations. Well, I'm not an insurance person. I'm not passionate about insurance. Sure. But it was a fun conversation to go to, to dive deeper into. And certainly, you know, when we were with Main Street, you know, that's a conversation that you have with almost every one of your businesses is what's— what is your succession plan? Like how much— how long have you been in business? Who do you have coming up behind you? What's the future of your business? And, you know, when you look historically in our downtowns, businesses didn't necessarily close because people stopped loving them and stopped going to them. A lot of them closed because they didn't have succession. They didn't have someone to take over after. Yeah, we can all think of those places that you just loved as a kid and what happened to it and why aren't those there anymore? Well, they're not there anymore because no one took over for those or no one had the passion to take over for those. We dove into the work for Van Wert Forge, we'll get into here in a little bit. That's what we combated right out the gate is we were buying buildings from people who saw this as an exit plan. And so I can retire out, I don't have to be stressed about the fact that I'm leaving an empty building behind and the foundation's got this. And it gave them permission to do what they wanted to do in retirement, which was great for them.

**J****Jason Duff** 0:11:43

I love that. You mentioned Main Street, and for our listeners, can you explain a little bit about what is Main Street and the Ohio Main Street program and your perspective? Because you have been an executive director for a Main Street program, kind of walk us through why that's really important to look at for your community and maybe how that's been a partner for you with your work today.

**S****Seth Baker** 0:12:09

So Van Wert's been a Main Street organization, I think, since 2004. 4, it really is a tool that uses historic preservation as a resource to rehabilitating your downtown and revitalizing your downtown community. And so there's a lot of education components that are involved with that. There's a lot of building of toolkits and resources. There's a lot of pavement work to go from business to business and check in and do BR&E, business retention expansion type visits. And so it's a dedicated program that is really building awareness in your community about the downtown, about the businesses in your downtown that's putting on events to bring people downtown to experience the businesses and to buy from those businesses. And so it's been a great tool. And we're still a Main Street community. They're a critical component of our community.

**J****Jason Duff** 0:13:09

And I'm a big supporter of the Main Street programs that we have here in Ohio. And there's an organization called Heritage Ohio Ohio, that is a nonprofit that operates all of the Ohio Main Street programs. And, you know, my lineage, and I've shared this on the previous versions of the podcast, is I was a volunteer when Bellefontaine chartered its Main Street, you know, 20 years ago. And it was really before any of the growth and development had happened here. And I served on the promotions committee. And typically, there's 4 standing committees that's a part of a Main Street organization. You have design, which handles and creating creating the design standards for a community to help kind of really get the buildings looking in good shape, or creating some standards so when you do renovate a property that you have a, a committee or a group of rules to follow. And then there's the Promotions Committee, which is handling events and PR and marketing, which is really important. Economic Development or Economic Restructuring, that is really that business recruitment and retention. And, you know, sometimes that's a gap that maybe the city or the village doesn't have capabilities to do, or the chamber that's maybe not in their purview. And that's a great committee to be working on that. And then the organization, so actually having a governing board that's helping set up bylaws and rules, because when you're really all volunteers, it's hard to get momentum and get things moving forward. One of the, the goals, and, and I believe requirements of the Ohio Main Street program, is establishing a plan to get an executive director, which You served. And you know what was sad for Bellefontaine, and that's kind of how Small Nation began, is that we lost our funding to keep our Main Street program. So those of us that were volunteers as committee members or board members, we learned through all the training and we believed in the, the, the mission and value of all those things. But we couldn't— we couldn't continue in that form. So some of us, including myself, like sought out to create a private company that believed in those values that would be investing in doing those things. So I give that little plug of the Main Street program because I don't think my business would exist without Heritage Ohio and with the Main Street program. And now we as a privatized company really complement in working with groups like that. Yeah. But, you know, kind of walk us through. So at the time that you came to Van Wert and you're the Main Street director, what was the state of affairs there in the community?

**S****Seth Baker** 0:15:40

Well, Main Street does a great job of bringing people downtown and building awareness and doing facade grants and maybe finding some resources to put on some new roofs. But by and large, what we discovered is they didn't really have the resources to reinvest in the buildings in a comprehensive way that they needed to. And so things were looking great out on the street from the street front. Businesses were surviving, some thriving in the with that, that market environment. But when you walked back into the, the back kind, or the back end spaces, that the spaces in the alleys, and started to look at the building, man, these buildings were gonna— I mean, it's just crappy conditions. Um, we were losing resources faster than we could save them.

**J****Jason Duff** 0:16:26

And so, and one of the issues, just moving to the private side, is that, uh, the economics of your community for a building owner, um, they, you know, if they're operating a business in there, that business needs to be thriving enough so they can be putting money aside for something called deferred maintenance. So deferred maintenance is your roof— the minute you put it on brand new today, is every year that you get further out, that roof is depreciating in its quality and its, its, its useful life. And so at some point, 15, 20 years down the road, you as the building owner or the business owner have to pay to replace that roof. Someone has to pay it. Well, what happens in sometimes in communities is that business slows down and there isn't the money to handle the deferred maintenance with masonry, with structural elements in the building, with HVAC. And people like try to stretch it out as long as they possibly can. And then even things happen where you get derelict property owners that aren't— they don't care about the property. They would rather see the roof blow away and hope to get some insurance lottery ticket than do the right thing. And so I drive through too many towns that are suffering from that, that the economics are upside down and there's really no magic saving building fairy or whatever you want to call it to fix it.

**S****Seth Baker** 0:17:52

So don't you think that's kind of what leads to, to businesses that close without a succession plan? Because, you know, you fully depreciate your asset and then you don't reinvest in it. And then you wonder why no one wants to take over your business when you're retiring, because then there's nothing left. Yeah, right.

**J****Jason Duff** 0:18:05

Yeah, it's a problem. The other— there's another flip argument that I see is that there are certain towns that have created so many rules and friction points to save and restore a building because the idea is, is that if we don't have things restored at this standard, then, then we're not protecting the community. Well, and in fact, it does the exact opposite because you create so many rules and barriers for people to want to invest, they're not going to spend—

**S****Seth Baker** 0:18:35

you mean you're not going to keep your paint colors within the same 5 prescribed paint colors that the rest of the downtown has?

**J****Jason Duff** 0:18:41

So I'm not going to name this community even though I really want to, but today it's just, it's just helpful you brought that up because I got an email today. Um, we are doing another project in another community and, um, we have been through a design review board, we've been through a zoning variance meeting, and we are wanting to put a protruding sign that is 2 feet by 14 inches out in front of the entrance of this. And if I loaded up the rendering for all of us to look at, like, it's one of the most attractive protruding signs. It's not evasive, it's not huge. It's, it's just, it would add so much to the pedestrian level streetscape. But if I read you this email, I almost want to pull it up and read it to the group, but then it would show too much information. Yeah. But they now say I need to go in front of the Design Review Board again and the Variance Committee again, which is two separate meetings. But the level of the application of what I have to fill out and the specifications, I have to hire architects and engineers beyond my sign company to navigate this. And so, you know, and it's like I want to invest more in this community. I want to do more. But if you create all these processes and friction points Capital is not going to come to save and invest in your buildings. Sending a clear message to investors. Well, it's just the reminder for, for those of you that are in power to write the rules. It's always— and I say this too, and I appreciate people that write rules too, like wearing the other side of the hat. Like if we don't have the rules or the processes, then it's like, you know, laissez-faire, which can be bad at times. But like, I wish that we could run them through the process that I was just thinking and wanting to ask that what's the economic cost for this little sign, I'm probably going to spend, including all of my time and the people I'm going to have to hire, it's probably \$5,000. Where if you had that \$5,000 as a small business owner, you can invest in improving your property with new leasehold improvements, more inventory, maybe it's hiring that extra part-time person. So there are real economic costs to those things. Yeah, but in Van Wert, so if you kind of paint the picture there, the challenge was you said there were some folks that were thriving, probably the majority of folks were just surviving, and then there were some really scary situations, right?

**S****Seth Baker** 0:21:02

Yeah. So I'm going to step back, Jason. I don't know if I've ever even told you this. I remember this was after I decided, hey, we're going to stay in Van Wert. I need to reinvest in myself a little bit. And I stepped back from the Main Street role and went back to get my MBA. And I remember, I think my first time I met you, you came to a Main Street dinner. It was at the Elks in Van Wert. And those of us who were working feverishly and really hard on downtown development, your name was out there, right? And so just a little bit of man crush. Jason is coming to our town. He's going to save us. This is fantastic. He's finally taking notice of the beautiful space that we have. And I remember having a little conversation with you afterwards and realized, no, Jason's not going to come to save us. Fast forward a little bit to a Main Street dinner, I don't know, a year or two later. Eric Doden, another gentleman we've talked about, had the audacity to stand on this stage and tell us, you guys are not special. In fact, this is a pretty crappy downtown. And this was in front of a Main Street audience. Wow. It was a Main Street dinner celebrating all the cool work that we'd done. The pats on the back dinner. And Eric stood before us and said, you kind of suck. Like, this is not— you're just like every other downtown community that's like crumbling. And that was really our wake-up moment. That was— Yeah, we've got an awesome group of people who's working towards this, but we don't have these resources figured out and we've got to kick it into gear if we want to do something. Jason, Eric aren't coming to save us. They can give us the tools and give us the pointers, but you have to do this from within. And that, that was the night that we really woke up. And I remember sitting around a table with a couple of other business leaders. We had a roundtable after that dinner and just saying, okay, now what are we going to do about this? Like, how do we actually legit work through this?

**J****Jason Duff** 0:23:05

I remember that vividly too, and the thing about coming in from the outside, I always talk with other leaders and the statement is so true is you're never a prophet in your own town. You may have really good ideas. You may really kind of see some of the critical things, but a lot of people, if Jason Duff brings this up in Bellefontaine, and I'm being honest, people get surprised. It's like, Oh, that's just what Jason thinks like that. You know, it's just, it's just little Jason, you know, that graduated from the local high school. And but when you come in from the outside sharing your background and your experience, your knowledge, like, like you kind of get the red carpet rolled out for you. And so I think about Van Wert is that, you know, you get a developer like an Eric Doden and that was neat for me to provide my perspective, you know, what Eric and his team at PAGO had accomplished. In Fort Wayne and also in places like, you know, Cincinnati and over the Rhine. Like, they have a portfolio of a lot of these really larger markets, which is really great because they're kind of on those cutting edge of trends that are happening in these larger markets. But from my perspective, you know, we only had done work in towns that were 20,000 people or less. And so being in the trenches of that and having that life experience is a very different journey than architects and engineers and folks that are used to working in urban markets. So I think what's been great about how Van Wert Forward and the work that the foundation doing is charting forward is they're really trying to listen, bring in people that have those aspiring ideas and feels, but then also learning and listening to what, actually has the staying power to work. Would that be accurate?

**S****Seth Baker** 0:24:57

Absolutely. Yeah. We're a philanthropic organization that's been around almost 100 years. 2025 will be 100. And so that philanthropic approach, that community mindset has always been in our forefront. We're working to create a well-resourced and thriving life for our community. We've got 15 just astute trustees of the organization who are open to guide the resources out into the community. And so when we embark on projects, we're going to do a lot of campaigning out in the community, listening campaigns. Just what does the community want their community to be? What's a quality of life? What does a well-resourced and thriving quality of life actually mean? And how do we get there?

**J****Jason Duff** 0:25:44

Well, and if you think about the foundation and its work before doing Van Work Forward, what were some of the ways that you were giving and supporting the community that were maybe more traditional?

**S****Seth Baker** 0:25:55

Yeah, so we were what I would call a transactional-based organization. We had resources that people would leave us, and once a year we would write a check out to those organizations, and that was it. We had competitive grant-making programs where people could request funds from us, and we'd have a grant committee that would sit through and review and say, yes, this, this fits within our mission, you know, these fit within our core values. Let's give to this. And some of those were really impactful. And so certainly we've done a lot of great work in the community. We have a couple supporting organizations that are arts-based. So we've got thriving performing arts, we've got thriving visual arts organization, we've got great community parks in part because of some of the the legacies that our donors have left to the foundation. And so doing great things, but we started to look at it and say, you know, we're giving out scholarships to 300 students a year who leave town and never come back. We don't have a community college or anything from a higher level education component in our community. And so when they go away, they experience this awesome quality of life somewhere, and then we're asking them to come back. And what are they coming back to? A crumbling downtown. That's what they're coming back to. And then we start to look at this, you know, again, from an internal perspective at the foundation. If our community and the population continues to shrink and foundation is going to live on forever, that's what community foundations are designed to go forward in perpetuity and to grow. Why are we growing? Why do we exist when our community is shrinking? Which means that we needed to take a deeper look at the impact and how we were using our resources to change the narrative on that. And so we started to back up and look at, you know, hey, we're maxed out on what we can give from grants and scholarships. Let's rework and retool our scholarship program. Let's create a program that encourages talent to return. And so if Van Wert County students return to Van Wert, if they live and they work in the community, they're able to participate or be eligible to participate in a learn and return student loan payoff program. And so we'll pay off up to \$30,000 of their student loans over a 3-year period. It's huge.

**J****Jason Duff** 0:28:23

\$30,000 is a big amount of money. Yeah.

**S****Seth Baker** 0:28:25

And we've had, this is our 3rd year doing this. We've had 65 students who have participated in that program. And so when we were doing that, then it was, is again, well, what are they coming back home to? And so how do we take a deeper dive into the quality of life? How do we redirect our assets to solve some of the problems that Main Street just couldn't solve? And so we couldn't grant out more resources, but what we could do is start buying the community's problems. And so we literally did that. We took some of our endowed funds that were invested on Wall Street and put them right into downtown. We started buying buildings. We bought 55, 56 buildings, I think is where we're at right now. Just over a short

**J****Jason Duff** 0:29:09

So, you know, it's funny about that number. We joke back and forth. We are at 56 right now. So we are tied. Yeah. Which is hilarious that it's that close. So yeah. Yeah.

**S****Seth Baker** 0:29:18

So, so you're familiar. We bought the community's problems. And as we were buying these buildings, within days we had parapet walls that were falling. We had people who couldn't get into their buildings because a stone was lodged in the door and they couldn't figure out how to get it unlocked. And so You know, I find myself in foundation board meetings where no one else is managing this. It was Seth, we can't get into our building. Can you come help us? Well, I'm sorry, trustees, I need to get up and help this person through their problem.

**J****Jason Duff** 0:29:44

The only one that will appreciate this too is I think I texted Seth a picture of a big box of keys. And when I say like keys, when you're buying buildings, no one has like every door on the same thing. You get the keys and they're unlabeled. And then when you have that call, you got to go to your box and you're literally maybe trying 30 different keys to try to get into it.

**S****Seth Baker** 0:30:06

Oh man.

**J****Jason Duff** 0:30:07

Yep. You don't know it until you do it, right?

**S****Seth Baker** 0:30:09

That's right.

**J****Jason Duff** 0:30:10

That's crazy. Well, and I imagine when you kind of started out buying these buildings, it probably created some uneasiness. Oh, absolutely. Yeah, tell us about that.

**S****Seth Baker** 0:30:20

Yeah. You know, again, we're a community foundation that was always very cautious in rocking the boat. Our, our businesses downtown. If you look through our historic list of donors, they're our donors. They're the ones who work their whole life and then they wanted to leave their estate to the foundation to, to give a better life for a kid coming out of college.

**J****Jason Duff** 0:30:44

Which on that quickly, if any listeners are confused about what a community foundation is, I encourage you to listen back on episode 48. We had Amy Miller with the Bryan Area Foundation kind of lay some more of the basics of what community— she did a great job. And, and I, I think it's— it really is like, we in Logan County do not have a community foundation, right? And, um, what I think kind of when I talk to other communities, the ones that do are very blessed that, uh, someone in the past took the time to structure it and create the board and start the fundraising. You know, in a lot of communities, it's the United Way kind of serves in that capacity, but I do recommend that episode. Really, if you're thinking about, hey, I'd like to really work in my community to start a community foundation, it breaks it down. Yeah, for sure. So if people are just confused where the money is coming from, where that you were able to buy, buy those buildings, um, yeah, encourage you to check that out. But go ahead. All right, at this time we're going to take a quick break to hear a word from our sponsors. Tired of gyms not being open when you want to work out? Then check out the region's best 24-hour fitness center, Anytime Fitness, in downtown Bellefontaine. They have all the equipment you need and the best trainers and coaches to help you get in the best shape of your life. It's truly your one-stop shop for fitness. Anytime Fitness is open 24 hours a day, 365 days a year. Brew Fountain's voted best beer bar in Ohio. Come visit their award-winning team in downtown Bellefontaine for fresh local craft beer, soups, salads, sandwiches, wine on tap, and handcrafted cocktails. And they're always available to cater your next event with their box lunches and platters. Cheers to Small Nation.

**S****Seth Baker** 0:32:17

So, um, we looked at what we were losing in the market, um, on a quarterly basis, or, or gaining in the market, and we had about a \$5 million swing per quarter. And so that's kind of what started to guide us. Well, we can carve out \$5 million of our assets for acquisition work and to start to rehabilitate some of these properties without having a significant impact in the grants and scholarships that we were making out into in the community. So, so really using our, our, our assets for the benefit of the community, which is ultimately what's referred to as impact investing. So that's, that's where we find ourselves.

**J****Jason Duff** 0:32:54

Gotcha. And this idea of impact investing, is it a theme that you're seeing in the industry, or are you guys kind of pioneers in that?

**S****Seth Baker** 0:33:03

Well, every community foundation is different. That's the, that's the one thing, like, if you have a community foundation, I referred to someone earlier that if you see someone that's doing something similar to you, you're always going to glue yourself to them to help navigate through life, right? Yeah. And so community foundations, we always talk to each other. We're always getting together and talk and comparing notes and everyone is different. So our foundation has 2,700 acres of farm ground. Wow. Very few other community foundations in Ohio have farm ground assets. Yeah. So we were prepared to manage properties in part because of that. We'd been having these transactional versus transformational conversations, and certainly other community foundations are having those same conversations. They're all having similar conversations about student loan payoff type programs. Some foundations are investing heavily in their community's resources. You know, Toledo Foundation has been doing some amazing things on investing in solar energy. And so it's not unusual that a community foundation would find themselves in the middle of this kind of work. I think everyone would love to just write the check to someone else to do it. And that's where it's unusual, is that we took that project on our own. Yeah. Van Wert Forward has really been led and guided almost entirely by the foundation helping the community just hundreds of people in the community have massive conversations and leading through dreaming conversations and the what-if conversations, but really helping to navigate through the nuts and bolts of how do we do a project like this. And we're all learning it together.

**J****Jason Duff** 0:34:50

And I think, you know, a lot of that sounds great and like I love the idea of that, but can you like start to get a little bit practical as far as like, okay, after you acquired all those buildings, what what was next for you? Were you looking for developers to partner with you? Were you going after business recruitment, you know, to get people in those spaces?

**S****Seth Baker** 0:35:08

Yes, so we kind of ended up in that realm and kind of a different avenue. The foundation actually came into this conversation kind of in the middle. We had had another organization in the community. It was a business development corporation, which I'm a part of, But it was really that organization that as we were looking at how do we attract and retain specifically manufacturing, our manufacturing base, that understanding that they're coming into the heart and soul of your community and whether you agree with it or not, that's what they're remembering your community. They're remembering the courthouse, they're remembering the restaurant they visited or the cool little shop that they, they're remembering the tree that you had, that awesome tree on your street.

**J****Jason Duff** 0:35:53

For Van Wert, it's the pie at Balliet's.

**S****Seth Baker** 0:35:55

Yeah.

**J****Jason Duff** 0:35:56

Right? So, I mean, everyone still talks about it and they've been closed now probably at least for 10 years, 15 years. But that was a staple for your parents and grandparents. And as a young child, you probably had— you got to celebrate those kind of memories, experiences there.

**S****Seth Baker** 0:36:12

Yeah. So let's see, I'm going to— I'm going to forget the question you asked.

**J****Jason Duff** 0:36:16

Yeah, I'm good at that. But no, the nuts and bolts. So like now.

**S****Seth Baker** 0:36:20

Yeah. So, so, you know, we were, we were buying buildings. We had to figure out, you know, how to stabilize buildings immediately. Yeah. But the BDC actually stepped in and had the first opportunity to buy buildings through sheriff's sale. And so once we had done that, they were buildings that had significant legal problems. They were buildings that— the one had a hole in the roof and every floor started to collapse. And I think shortly after we bought it, the pool table that that was left over from the bar that was there ended up in the basement. Oh my gosh. I mean, these are, these are, this, these are horror story buildings that, you know, it's not safe to go in. In fact, the fire department puts the big, big red X on it that do not, do not go in if there's a fire. Um, and so, um, another gentleman, Adam Reese, and I were given a year and a half to figure out what to do with these buildings. Otherwise they were going to get turned over to the land bank and, and be made into parking lots. Which— that parking is a whole nother conversation.

**J****Jason Duff** 0:37:21

Oh yeah, we could do a whole episode on that. Yeah.

**S****Seth Baker** 0:37:24

But these buildings, they were, they were quality stock. They were beautiful buildings. And so we started to work on, okay, how are we going to attract a developer to Van Wert? You know, you started off the episode talking about some, some great folks who were doing awesome redevelopment projects downtown. But when you start to look at some of these white elephant buildings, man, we didn't have enough, um, enough, uh, manpower to really tackle some of the issues that we were facing in our—

**J****Jason Duff** 0:37:53

and probably capital too, right?

**S****Seth Baker** 0:37:54

Capital, yeah, capital big time. Yeah. So, um, so we started to put together, uh, RFPs, uh, um, and, you know, how do we attract it? How do we attract a developer? How do we attract someone to come and help us? So we were so glued on that someone's going to come in and help us model, who's going to save our town. Yeah. And quickly realized that while we had a big problem on our hands with what we just bought, we didn't have a big enough problem to attract a large-scale developer. And so we started talking to the neighbors and saying, hey, would you guys want to partner together on a project and maybe we do something bigger? And so, so again, we started to create these requests for proposals from developers and. One of the other gentlemen on our, uh, BDC board, um, introduced us to, to Eric Doden, um, who had partnered with Model, uh, Development outta Cincinnati. And Eric pitched this idea of, hey, just don't do this half a block or a block at a time. Do your whole downtown at all at once. Um, and that's really when the, the community conversation kicked off. It was so ridiculous, uh, to, to have a conversation about redeveloping your downtown all at at once. And certainly, you know, the tried and true model is—

**J****Jason Duff** 0:39:10

it's a bold vision to do what you're doing. Yeah.

**S****Seth Baker** 0:39:12

But, but, you know, you typically, um, you know, buy a building and, and test the waters and try it out. And so, so, um, that was April of 2019 when we first had this conversation, and the foundation was deeply ingrained in conversations about being transactional versus transformational and trying to figure out how to make our our balance sheet work, you know, significantly for the community. And so early May, we started having some deeper conversations with the community as a whole on if this was a direction that they would like to see the community move in. I mean, this is not something that we just want to unilaterally make a decision on without getting buy-in from everybody. So started having those conversations in May. By June, it ended up at the foundation board, and they said, hey, we're gonna dedicate those resources and go after it. And so when we made those decisions, we had already been in some conversations with Pago USA and the Model Group, who was the developer. And so naturally had a developer that had kind of walked us from the very beginning conversation of the vision right through to execution.

**J****Jason Duff** 0:40:28

Super cool.

**S****Seth Baker** 0:40:30

Yeah.

**J****Jason Duff** 0:40:30

And if you can kind of share, so once you sat and charted out, charted that out, and then the foundation approved the plan, you've got developers, you then, and you've acquired property, what, what are like those next steps? So, you know, designing it and get us through the capital. Yeah, because now you've got to raise some money, right? Yeah, right.

**S****Seth Baker** 0:40:50

Well, and this was, this was kind of the secret sauce of the whole deal is, you know, We've had an economic development group in our community who worked for years on building those resources. Same way with our Main Street organization. And finally, as a foundation, we had the capital that we could put equity into the project and start to tie all these pieces together. So we had, we were just wrapping up work on creating a historic district. And so it's our first foray into using historic tax credits. And so let's shoot for the moon on that. Well, to get historic tax credits, you have to have as-built. Design and you have to show kind of what your concept is. And so, and then you have to submit those to the State Historic Preservation Office, and then they have to submit those to the National Park Service. And so we don't know what we're doing. We have a developer, we have architects who are helping us guide, to guide us through. And so you look for, for people who, who have done this in the past, or, you know, every project is going to look different. So every Every community has different tools available. So tax credits, historic tax credits specifically started to guide the project early on. And then understanding the — one of the other major pieces of funding was new market tax credits. New market tax credits are literally just that. They're there to reset a market in a community. And so they're based upon the income of census tracts.. And we have 4 census tracts that collide in our downtown. And so some of our census tracts had access to New Market Tax Credits and some didn't. And so that's what helped us to determine, okay, these buildings fall inside this district that have resources available. Some of our buildings fell within an Opportunity Zone. Well, we could use those Opportunity Zone funds. Our equity partners, could receive a different return by investing into those opportunity zones. And so we had historic tax credits, new market tax credits, both federal and state. Ohio was just coming out with a transformational mixed-use development tax credit. So we were able to utilize those. We were able to partner up with JobsOhio on a Vibrant Communities grant. We had a Paul Brun grant that was awarded actually because we were a Main Street Communities, but through the National Park Service and Heritage Ohio, that was the first funds in to really help facilitate accessibility in the buildings. And so we were able to put in an elevator in one of the buildings as a result of that.

**J****Jason Duff** 0:43:28

And so can you just give us some numbers, round numbers of like what— because it's not just a— so we — yeah, I know.

**S****Seth Baker** 0:43:35

So Phase 1's, uh, ended up being a \$27 million project. We took 11 parcels and consolidated those into 5 parcels at the end of the day. What's awesome is the foundation put in equity and a local company, Central Insurance Company, put in 49% of the equity. So we were 51%, they're 49%. But together we're in by about \$11 million in equity. And it's a \$27 million project. So that's a considerable return for the community.

**J****Jason Duff** 0:44:11

Yeah. That's super cool. And, you know, we, about 3 or 4 years ago, there was a reporter that was from Governing Magazine that wrote a story that we'll put in the show notes that really highlighted Van Wert for its success with utilizing and leveraging public funding sources. And many of the programs that Seth just mentioned And they've done it really, really well. And then highlighted here that we have not used that in It's Small Nation in our downtown project, that just the differences of why we've chosen not to use the public sources. We have used a \$40,000 grant. Really the only public sources, significant public sources would be a \$40,000 grant from JobsOhio. But it's just the model and again, the sophistication. You, you have to bring the right team together to get the— to qualify. Absolutely. And then the administration. And that was something from the beginning that you identified that you wanted to go down that path.

**S****Seth Baker** 0:45:16

Yeah. I think the community partners were absolutely critical that, that they were a part of the conversation early on. We utilized the Port Authority to help walk through a sales tax exemption on materials that were purchased in the state of Ohio. We use tax abatements on the building. Ohio has another tool called a Downtown Redevelopment District, which were actually just recently put in place in Van Wert, that can help us through the next phase of development. So that kind of acts like TIF, um, where you can, uh, turn the taxes back into that district and we can use those tax dollars over the next 30 years for infrastructure improvement downtown. So we're doing work on the private buildings. Um, the foundation, because we're a philanthropic organization, we provided some resources to do some streetscape work and to do some, uh, public infrastructure work as well. And the county and the city also contributed resources to that. But by and large, we're starting to now, um, build up a fund off of the taxes that'll be generated from the improvements that we made that can go right back in and generate more improvements. Um, and so there's all sorts of tools, um, that communities can tie together, uh, to, to make a project like this work. It is not for the faint of heart, as you know.

**J****Jason Duff** 0:46:37

Yeah, no, I appreciate you like walking through each of those specifically. I think we've, we've highlighted a few of those different methods on different episodes, but it's good to hear someone just kind of tackling it from all fronts, which is kind of crazy, but it's very impressive. I was going to ask what, what kind of like building stock are we talking about? Are there, you know, storefronts and then second floor like living or what does that building stock look like?

**S****Seth Baker** 0:47:02

Yeah, so we've got— it's mixed use. We've got our— I'll back up and just kind of define some of the character. Van Wert sits on the historic Lincoln Highway, which was was an important route for us in Van Wert right up until the late 1960s when US 30 was bypassed around the town. And that's when you can really see the period of disinvestment start to happen. And so when you look back on the materials of the buildings, we've got building stock that ranges from 1860s right up to the 1960s. And so what we said, those are important character elements that define who we are as a community. We want to save some of those storefronts. Because it tells the story. Some of those are one-story, some of those are three-story, some are two-story. We've got, you know, certainly we've been, as we've been developing the schematics of the buildings, putting residential upstairs. And so our first phase project, we had 36 residential build— or 36 residential units ranging from studio, one-bedroom, two-bedroom, some luxury lofts. We had 12 commercial spaces. One of those is geared specifically towards coworking, which we're trying to get that off the ground. And so restaurants, Van Wert's been just screaming for restaurants. And part of the reason people aren't investing in restaurants is because we don't have any kitchens available. And so that meant that we were going to design spaces that would have kitchens that we could open up restaurants in. So yeah. And then certainly retail and foot traffic is important. And so I think it goes back to that chicken and the egg model, right? Which one comes first? Is it your residential? Is it your commercial? Is it your restaurants? That all has to happen together. And so that's the model we're taking.

**J****Jason Duff** 0:48:50

Yeah, yeah. But you've got to get to Van Wert. I was there probably, it's been about 6 months ago, just as the residential building was getting ready to wrap up. And I imagine our residents in the building—

**S****Seth Baker** 0:49:00

They are in the building.

**J****Jason Duff** 0:49:00

Yeah, well, uh, you know, it really— they're doing it at a very high level. So beautifully appointed apartments with high-quality building materials that are going to last for a long time. And, um, you know, it would— as a young professional, like, it would rival anything in any major city that you would go, and it would be, in my opinion, better. And in terms of kind of new announcements of businesses that have opened up, you recently got a new coffee shop downtown. Is that right?

**S****Seth Baker** 0:49:29

Yeah, Wine Inns.

**J****Jason Duff** 0:49:29

Wine Inns, uh, chocolates and coffee. And if you've not experienced Wine Inns, um, it's pretty darn special. I mean, their chocolates are really great and they've got a great coffee. And I'm a big fan of their app right now.

**S****Seth Baker** 0:49:40

If you— oh my gosh, the app, their app, uh, yes, every day.

**J****Jason Duff** 0:49:43

It makes it so easy and you earn rewards points to get free chocolate.

**S****Seth Baker** 0:49:47

So sit in the school drop-off line and get my, my coffee ordered and it's there when I'm— when I pull up in front.

**J****Jason Duff** 0:49:53

It's amazing. Love that. Well, and you're, you're working on kind of phase 2. You mentioned some, some of the co-working pieces and then, um, so maybe a restaurant. Is that kind of the goal next on what's on deck?

**S****Seth Baker** 0:50:04

Um, so, you know, we're just at the tail end of wrapping up, um, the initial construction piece for phase 1. And then obviously what follows is we've got to activate those spaces. And so there's a lot of TI, uh, tenant improvement projects that, that are going to be immediately following here. Um, but yeah, we're within what we believe is a few short weeks from launching into Phase 2, which would be, I think, another 14 residential units, another 7 commercial units. Um, that'll be another \$19 million project, I think. So almost all the resources kind of pulled together for that.

**J****Jason Duff** 0:50:41

So very cool. Yeah. Um, well, I'm going to move us into a show segment here as we're kind of getting towards the end of our episode. It's a real estate deep dive. So just, you know, you mentioned briefly that you ended up with 55 buildings. 56. 56. Excuse me. You know that number. But, you know, I'm curious. I know you mentioned the sheriff sale a little bit, but like, talk us through how did, how did that whole process go of acquiring those buildings? Were they all owned by one? Like, were they all through the sheriff sale? Were they owned by one owner? Like, how did that go?

**S****Seth Baker** 0:51:14

Yeah, I think I started to talk about this earlier and then I got sidetracked. Um, you— we, we pursued acquisition. Actually, Pago USA helped us through some of the acquisition of this, but low-hanging fruit. So what's actively listed? And we pursued those, those opportunities first. What buildings were empty? What buildings, um, did we know had businesses in them who were planning on retiring? And so, you know, from a community foundation where you're friends with everybody, you're not rocking the boat, to suddenly we're negotiating with our donors, negotiating with the community, and trying to do that in a way that is not loud because we don't want the prices to necessarily go up as we're making those decisions. It was probably the most strenuous 2 years of my life walking through and negotiating and making deals and agreements. And then as we were doing that, also looking at, you know, the other businesses that were actively operating in this space and, you know, they're our neighbors, they're people we see every day, we're buying from them, they're valuable businesses and we don't want to see them go away. But understanding that their market that they lived in was going to change. And so, That's dramatic. When you go from a business who might be paying \$4 a square foot for their space to a business that might need to pay \$12, you know, a square foot for their space, that's life-changing. That could put them out of business. So there's just a lot of angst around that. And so again, it goes back to just, you know, a lot of quietly listening and trying to document and understand where they're coming from. Yeah. And knowing that at the end of the day, we're all going to end up in the same place. And so we need to kind of travel through that point of life together. And so, so a lot of, a lot of conversations, uncomfortable conversations, fun conversations, lots of tears shed. You know, when you own a building for 50 years, you know, there's a lot of attachment to that building. And so you've had folks who who their, their husband who recently passed away poured his whole life into that business, and now she's selling the building, and that's painful. And so you cry together and just be real.

**J****Jason Duff** 0:53:38

Yeah. Wow. Yeah, there you go. There's no short answer. Well, and I think hearing it— this is where, you know, Seth and I are good friends, but just, um, we've even today— he brought up some of his team members from the foundation just connecting with some of our team members, and we were sharing stories before the episode, like, you don't believe what's really involved in community building until you're actually doing it. I mean, the— there are days we were kind of joking that you start out like on a really roller coaster where things— you're getting good news, like things are going really well, and then you have this major, you know, breakdown. We had a sewer issue we were talking about collapsing today, and then you deal with a tenant conflict or a loss. I mean, it is highly emotional work, but it's really important work. And, you know, maybe just kind of, you know, as we're wrapping up here, what are you most proud of in terms of the role that you're serving in the community and maybe this project?

**S****Seth Baker** 0:54:32

Yeah, I'm going to back up and tell you an ag story, full circle, since that's where I grew up. I just had the opportunity to tell some folks in our community about this, but growing up, I had to pick up rocks out of the field. That's what you do as a farm kid. You drive four-wheeler, you pick up the rock so it doesn't get sucked up into the combine and make all sorts of damage. And I hated that job when I was a kid. But you get out there and on the four-wheeler, if it was a dry day, it would kick up dust if you were going too fast. So you had to be careful of that. But if you left tracks there, you just kind of zoom through the field. And so one day I got sent out to pick up rocks in a field that I didn't think needed to be picked. And was just flying through, not paying any attention because I just needed to put the tracks in the field, get in and get out. And a gentleman who was like a grandfather to me lived right around the corner. It happened to be his field, by the way. And he saw the dust and came for a visit. And Gordon almost sent me home. And my dad said, "Nope, that's what he wants. He wants to get out of there." Gordon gave me a second chance and he, he picked the rocks with me in that field. And so we slowed down, we found arrowheads, you know, the fun stuff that you do when you're out in the field. And we got the work done. We missed rocks that day because that's what you do. Like, you know, when you walk through projects like this, you're going to miss things. You're going to make promises, say, hey, I'm going to get all those rocks. You won't. And so the important thing is Did you try? Did you put your all in it? Did you do your best? Did you leave that place where it was going to be beneficial to the farmer who's going to come in and combine in the fall? Yeah. And that's really what— that's what our work is, right? Get in and do your best. You're going to have casualties along the way that no one wants. But if you're trying, you're putting your heart in it. Yeah, that's where it's at.

**J****Jason Duff** 0:56:29

Yeah. Wow. Great analogy. For sure. I love that. Just a couple of closing questions here for you. What is one professional development resource that was impactful for you on your journey?

**S****Seth Baker** 0:56:40

You know, we're a community foundation. Again, when I started in our world, I didn't know the first thing about community foundation, just like I don't know the first thing about community development. But connecting with other community foundations, there's a state organization called Philanthropy Ohio who consistently has regular programming in conferences that we're able to connect with other folks who are doing similar work. And then when I look at the development work, I know you guys are hosting me on your podcast, but I will say that, that Small Nation and the work that you guys have done, tremendously impactful knowing that, you know, this isn't the first rodeo. Someone else has done this out there. We don't have to recreate the wheel. It's going to look different in our community, just the way it is going to look different in Bellefontaine or Decatur, Indiana, or wherever it is, it's going to be different. But what worked for you and how can we adopt those models? So you guys.

**J****Jason Duff** 0:57:39

Thank you. Yeah. I appreciate that. And then my second question for you is where can people follow you and the foundation?

**S****Seth Baker** 0:57:46

Yeah, you can check out our website, [vanwertcountyfoundation.org](http://vanwertcountyfoundation.org), [vanwertforward.org](http://vanwertforward.org). Certainly all the typical social media platforms you can find us on as well.

**J****Jason Duff** 0:57:58

Great. And then, uh, I just have to give you the shout out. So you're also a very talented musician, and on Sundays— can we find you on Sundays, uh, playing it?

**S****Seth Baker** 0:58:06

On occasion. I will, I will, uh, sit down at the, at the bench of the pipe organ.

**J****Jason Duff** 0:58:12

And, and at which church?

**S****Seth Baker** 0:58:14

Uh, First Presbyterian in Van Wert.

**J****Jason Duff** 0:58:15

All right, go see a concert and a show and enjoy a wonderful church service. So there you go. Cool. You want to hit us with your— yeah, no, I, I just, uh, Seth, thank you for being on the the show today. You've got my biggest thing is if you liked what you heard today, take the time, jump in a car and drive to Van Wert. And I think with you heard about some of the new businesses that are opening up, but there's also a lot of great existing businesses. So if people are coming, give me a few just shoutouts of some of the things that you'd want to see or do.

**S****Seth Baker** 0:58:45

Yeah, yeah. So certainly, you know, check out the coffee shop, chocolate shop, we just talked about winens. We have Brewed Expressions, that is another local favorite coffee shop that has great soups, salads, sandwiches. Elite Interiors, which is a wonderful home decor business downtown. We of course have some amazing antique shops. That's kind of where my passion started downtown is just perusing the stores and falling in love with the buildings and the businesses. And home of the first public county library in the United States. Really? And it is a beautiful building. And so, you know, check out that building, check out the county courthouse, go see a show at the— go see a show at the Niceheimer Performing Arts Center, check out an exhibit at the Wassonburg Art Center, take a class. There's a wealth of opportunity of things to do in Van Wert.

**J****Jason Duff** 0:59:43

Yeah, on the move. Van Wert, Ohio.

**S****Seth Baker** 0:59:46

All right, thank you.

E

**Ethan DeLeon** 0:59:47

Thank you. Thanks for tuning in on this episode of the Small Nation Podcast.

E

**Ethan DeLeon** 0:59:50

We hope that conversation proved valuable to you, and if you enjoyed it, be sure to share the episode and follow the show on Spotify, Apple Podcasts, or your favorite podcasting platform. You can also subscribe to the Small Nation YouTube channel if you prefer to watch your episodes. Follow Small Nation on social media, and we'll see you in the next episode.